



The Muttart Fellowships



**Partnerships: Profits and
Not-for-Profits Together**

Martha Parker

Each item in The Muttart Fellowship Products Series carries “the look” designed for the program. The concept incorporating pebbles and water fits with the Zen-like qualities of the visual identity of the Fellowship Program.

Each front-cover pebble is different—representing the uniqueness of each fellow and *what s/he* has to offer. Applicants are like pebbles among pebbles. After each is refreshed and renewed through the Fellowship year, *s/he* has an impact on the nonprofit charitable sector like the rings the pebble creates on a pond of water.

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**Partnerships: Profits and
Not-for-Profits Together**

**A Muttart Foundation Fellowship Project
August, 1999**

Martha Parker

Executive Director, Volunteer Calgary
Calgary, Alberta

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To abundance
thinkers everywhere

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- And lastly, to abundance thinkers everywhere, for we are blessed.

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Appendix B: Bibliography

Executive Summary

When I applied for a Muttart Fellowship in the spring of 1997, my interest in the fellowship was motivated by my desire to learn more about the changing nature of corporate philanthropy in Canada and the noticeable shift to more strategic giving.

In the emerging model, partnerships and strategic alliances between corporations and not-for-profits are becoming a more common element in giving, with altruism **and** self interest blending to include “more than money.” Distinctive relationships are replacing cheque book philanthropy, and are involving key stakeholders of both not-for-profits and companies, engaging corporate employees in the mix, sharing knowledge and expertise held by both partners, and moving toward alliances focused on solutions for community issues that are of mutual concern.

Receiving the fellowship allowed me a year away from my work as the Executive Director of the Volunteer Centre of Calgary — time to look at the context of why corporations and not-for-profits seemed to be moving toward a new way of interacting with each other and very definitely a new way of impacting the communities where each live and work.

What you hold in your hands is the result of my learning. It focuses on 11 corporate case studies that track the evolution of each company’s community investment program. The case studies include information about their not-for-profit partners and an analysis of the “drivers” currently pushing not-for-profits and corporations toward change. I also developed and have included a continuum for both that shows correlations between where leading — or better yet, learning — corporations and not-for-profits have moved from and where they appear to be going. Lastly, this document includes my thoughts

regarding what I feel are some key issues that require increased dialogue and debate. As with any research, having the time to think about emerging trends generally raises more questions than answers. This was definitely the case for me, and I have included a number of those questions in Chapter 5, “Reflections and Learnings.”

For many corporations in Canada, the need to be more strategic with philanthropic budgets may have started simply as an exercise to deal more effectively with the volume of requests coming in the door. That process dove-tailed with a variety of other push/pulls to dramatically grow in dimension. Social marketing, cause marketing, and economic development strategies are more consciously used to differentiate products and build stakeholder trust. Many companies want to be good neighbours, and to have impact on the issues their employees, customers, and the community at large care about.

Social responsibility and corporate citizenship are requiring a larger share of mind for corporations who want to be both learning and leading corporations, particularly as society demands more accountability for their actions. Business is more aware that long-term economic success is increasingly dependent on a healthy work environment, and that means a healthy community in which to work. Social and economic concerns are mutually important.

2

For many not-for-profits in Canada, reduced government funding, competition for dollars and volunteers, and the need to find additional revenue sources were the primary motivators for more entrepreneurial resource development. Coupled with increased demand for services and a need to find solutions to serious and often escalating social issues, not-for-profits began to look for more explicit ties to the business sector. Many are becoming more aware of the value they bring to the table, in both their knowledge of complex social issues and the trust they hold in the eyes of the public. Most leading and learning not-for-profits are moving from being reactive to changes in traditional funding sources to being proactive in diversifying their funding base, and in searching out new and different sources and strategies for support. Like their corporate counterparts, increased accountability is a major expectation, and maintaining a trusted place in community is key to future success.

Not-for-profits used to say that business tended to fund the “sexy” causes — those that pulled heavy on the heart strings and received the most press. I believe that today business is more inclined to fund

“strategic” initiatives — those geared to complement business interests while offering proactive opportunities to have impact on serious social issues. Partnerships and strategic alliances are definitely a component of those strategic initiatives.

In a 1997 interview in the *Harvard Business Review*, John Browne, CEO of the British Petroleum Company, was asked what he thought were the qualities of a distinctive organization. He responded:

It’s people who are highly motivated, understand exactly what they have to do to create great value, can see the results of their actions, and have a sense of ownership. They excel at building and using knowledge capital, which means accessing and applying knowledge that exists both inside and outside the company. They excel at forging distinctive relationships.¹

During my fellowship, I was privileged to look at a wide variety of partnership models as I met and worked with many forward-thinking organizations and companies. Without ever having seen Browne’s formula for distinctive relationships, I can honestly say that all of those organizations and companies are trying to emulate his formula for success:

- Know what your partners want out of the relationship and work toward those goals.
- Deliver on promises reliably and consistently.
- Build relationships with people not organizations or companies.
- Solve problems jointly with openness and flexibility.
- Approach opportunities with humility and recognize that you can learn from others.
- Build relationships for the long term.

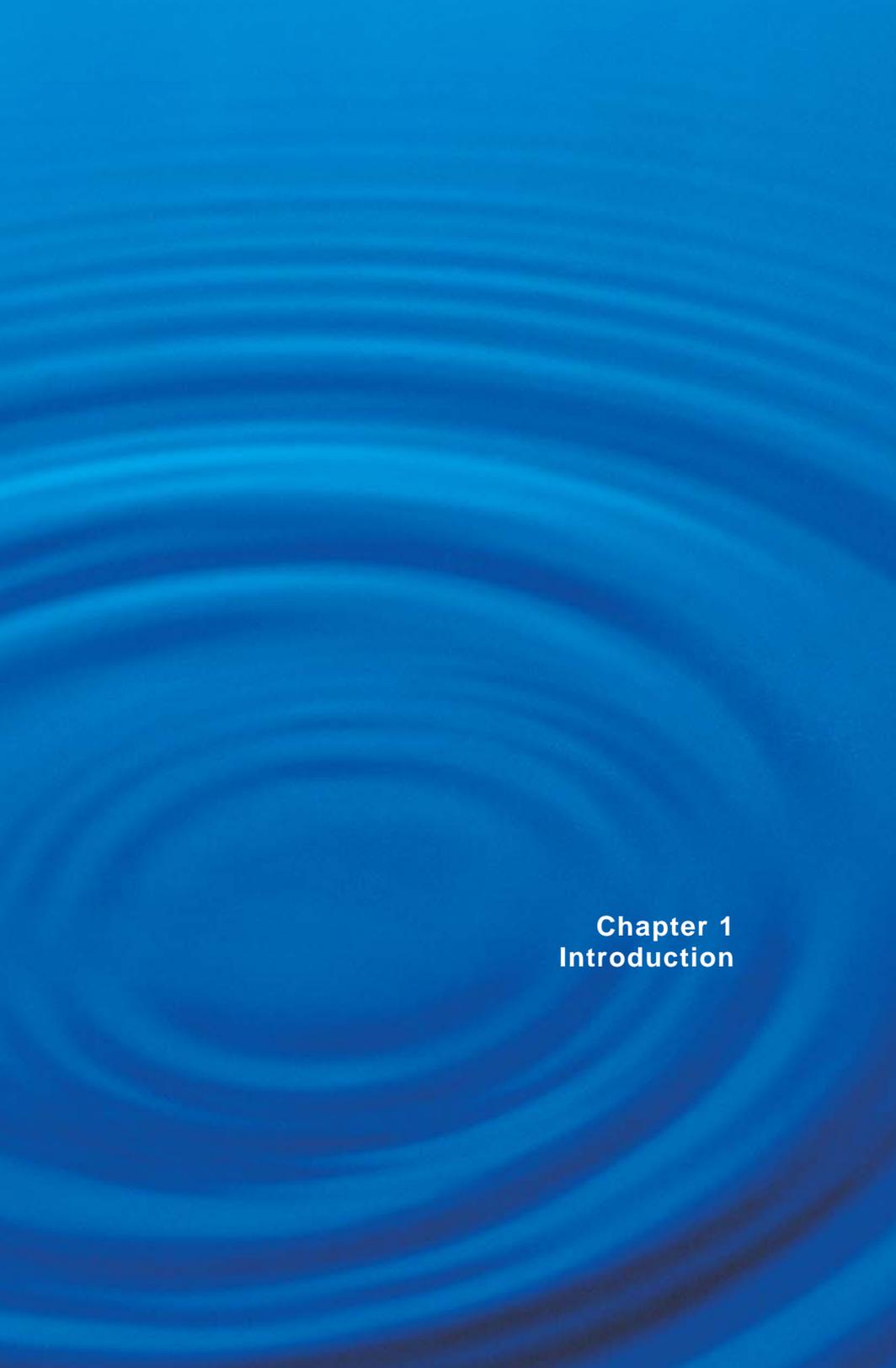
Definitely not “rocket science,” but amazingly harder than we think, particularly since corporations and not-for-profits have very different bottom lines and very different cultures.

¹ Prokesch, Steven E., 1997. “Unleashing the Power of Learning: An Interview with British Petroleum’s John Browne.” *Harvard Business Review*, September-October, p.154.

Despite their differences, I determined that there are many corporations, big and small, willing to try something new; to take some risks; to move away from “Yeah but, we’ve always done it that way”; to move to a new kind of relationship with their not-for-profit partners. There are also not-for-profits, big and small, willing to try something new; to take some risks; to move away from “Yeah but, we’ve always done it that way”; to move to a new kind of relationship with their corporate partners.

Where their interests, the things they care about, the things that benefit both partners, intersect and align — those are the points of learning, and “real” partnerships offer opportunities for both partners to learn together.

Martha Parker
Calgary, Alberta
August, 1999

The background of the page is a solid blue color with a pattern of concentric, slightly blurred ripples or waves emanating from the center, creating a sense of depth and movement.

Chapter 1
Introduction

Introduction

1.1 General Statement

Just over a year ago, I was privileged to receive a Muttart Foundation Fellowship, a key component of which was the completion of a research project. My research project involved analyzing current trends in corporate giving in Canada, with a focus on emerging partnerships between business and not-for-profit sector organizations.

I believed at the time, and still do, that there is minimal understanding of or readiness for the new shifts in corporate giving in the not-for-profit sector. I was surprised to find that business is also struggling to know how to best maximize resources and focus charitable dollars in ways that both benefit the community and complement business interests.

As we approach the new millennium, Canada faces a series of profound challenges in the way we sustain healthy, vibrant communities. In the last decade, Canada's economy and society have changed profoundly. The private sector has restructured. Governments have shrunk. Charities and other community service organizations are struggling to restructure in the face of increased demands for services, shrinking resources, and greater demands for accountability. Individuals and families face new pressures in their workplaces and in their homes. Globalization, technological change, and recession have all had their impact.

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As we move from a "welfare" state to a "civic" society, Canadians are being asked for more than simply a bigger donation to charity. They are being challenged and given the opportunity to take greater responsibility for their community, to become engaged once again as "citizens," as active participants in both supporting and deciding how community services will be delivered. Corporations in particular are being looked to for help in providing leadership and support in finding new solutions to meeting community needs, to become partners in a new social contract.

These words of Chris Pinney, director of *Imagine* and vice-president of corporate citizenship for the Canadian Centre for Philanthropy, clearly reflect the changing social landscape in which we all live and work. Extracted from a discussion document outlining the agenda for Phase III of *Imagine*, a program of the Centre that promotes corporate and individual philanthropy and citizenship¹, they set the stage for me to share what I discovered over the course of my research.

1.2 Evolution of the Nature of Corporate Support

Eleven years ago, the Institute for Donations and Public Affairs Research (IDPAR), where I was employed at the time, provided information and research services to corporate contributions staff in most of the major corporations in Canada. The Institute has since merged with the Conference Board of Canada and now operates as the Canadian Centre for Business in the Community.

At the time, corporations supported community organizations and initiatives in a very reactive way. An IDPAR member would receive a funding proposal, and often check out how much other corporations were giving, particularly in the same industry groupings. If the company chose to respond favourably to the funding request, it would simply forward a cheque. Being proactive was not the order of the day. Involvement beyond writing a cheque was the exception rather than the norm. Employee volunteerism was a new concept and in Canada there was little knowledge or interest in the concept.

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Ten years ago, I became executive director of the Volunteer Centre of Calgary (Volunteer Calgary). Since then, there has been a dramatic shift in the nature of corporate giving. For example, we rarely hear the word “corporate philanthropy” any more, but we do hear words like “focused giving,” “strategic giving,” “passion branding,” “social marketing,” “partnership marketing,” “community investment,” “public purpose marketing,” and “cause marketing.”

¹ Pinney, Chris, 1998. “Citizenship for a New Millenium.” *Imagine* Phase III Discussion Document. Canadian Centre for Philanthropy, p. 2.

Business has definitely moved away from the charity model. Accountability has become a watchword, and there is an increased focus on ensuring that corporate contributions are treated like any other business function — not just a nice thing to do, but tied to business goals and interests.

Additionally, as a result of government downsizing in Canada, communities have bombarded business with requests for financial support, and business has in turn sought new methods for how best to address an ever-increasing need for resources. Many companies have expanded their resource base to include gift-in-kind, product, and expertise. Increasingly, corporations are encouraging and supporting employee volunteerism. Partnerships and strategic alliances are now more typical than exceptional. Overall, my research indicates that the change is positive, with exciting new initiatives happening all across the country.

1.3 Charitable Funding in Canada

A December, 1997, research study conducted for the Canadian Centre for Philanthropy’s *Imagine* program by the Angus Reid Group, revealed that more than 60 per cent of charitable funding in Canada comes from government; however, the study also determined that the Canadian public believes only 20 per cent of such funding comes from government (Fig. 1).

Figure 1 — Facts vs. Perceptions

| Facts | Perception of Canadian Public |
|---|-------------------------------|
| <ul style="list-style-type: none"> More than 60% of charitable funding in Canada comes from government | 20% |
| <ul style="list-style-type: none"> 9% from individuals | 23% |
| <ul style="list-style-type: none"> 1% from business | 30% |
| <ul style="list-style-type: none"> 30% from other sources | 27% |

To make up for every one per cent loss in government support, charities would need to increase individual giving by six per cent or corporate giving by 49 per cent, or dramatically increase revenue from other sources.

Similarly, the public perceives that 23 per cent of charitable funding comes from individuals when in fact individuals provide only nine per cent. There is also a perception that business provides 30 per cent of all charitable funding when the reality is that it provides only about one per cent.

The numbers demonstrate a level of expectation much higher than reality. When asked what percentage of corporate profits were donated to charity, survey respondents said on average seven per cent and said they felt corporations *should* be donating an average 13 per cent. Again, the reality is one per cent.

Canadian corporations reported charitable donations of \$629 million to Revenue Canada in 1995, the most recent year figures are available.² These numbers reflect only those donations for which a charitable tax receipt is issued. Many charitable donations, gifts-in-kind, and donations of product or services are either written off as business expenses or not tracked at all. The numbers also do not reflect any marketing dollars that more and more are connected to public purpose or cause marketing initiatives. For those who work in the not-for-profit sector these represent a considerable amount of potential support.

1.4 Background to the Project

8 Like most other not-for-profit organizations in this country, Volunteer Calgary is constantly seeking new sources of revenue. Over the years, we have had sponsorship from numerous corporations, and have had many volunteers from the business sector participate in our organization.

We've been lucky to have several corporate employee secondments, and have benefited from the skills and expertise they brought to our centre. We have had many gifts-in-kind — media space, printing, donated furniture, computers, and office supplies. We've been invited to share in corporate training events and have had corporations advance us risk capital dollars to create products that earn us revenue. We have had donations of product for our special events — everything from chocolates to flowers to airline tickets.

² *Inter Sector*, 1997. A Newsletter for *Imagine's* Community Partners, November/December Volume 4, Number 1.

We have spent considerable time trying to diversify our funding base by focusing on a more effective balance between traditional grants and earned revenue. We have developed a variety of programs designed at the front end to be sustainable wherever possible and less dependent at the back end on ongoing funding from any source. Our efforts have resulted in a push to be much more entrepreneurial in our approach and our thinking.

In our role as a volunteer centre, we work with our 300-plus member organizations to help them look at more sophisticated strategies to recruit and retain volunteers. Good marketing techniques are necessary for targeting a variety of volunteers — youth, seniors, families, new Canadians, generation Xers, *etc.* Since two out of every three volunteers in Canada work either full or part time, it has been essential for us to look at more sophisticated methodologies to engage employee volunteers. To that end, Volunteer Calgary has long been an advocate for more formalized practices around employee volunteerism, encouraging companies to adopt enabling policies and programs that support employee involvement in the community.

In 1991, as a co-venture between nine corporations in Calgary and the Kahanoff Foundation, Volunteer Calgary established the Calgary Workplace Volunteer Council. The Council is a group of Calgary businesses and not-for-profit organizations — now with 24 members — working together to share information and expertise relating to corporate volunteer development and programming.

Over the last three years we have found that we can no longer talk to corporations about employee volunteerism without positioning it in the larger context of corporate community relations. There is a growing realization that it is important to involve employees — one of any company's key stakeholder groups — in strategic community initiatives. There are many benefits for the corporation, the community, and the employee if employees are engaged in and supportive of community investment strategies.

1.5 Objectives of the Project

The objectives of this research project were:

- to identify and describe common elements/learnings that could help and motivate business and not-for-profits in building partnerships or strategic alliances;
- to document helpful tips and resources companies could use to realign their corporate/not-for-profit strategies in partnership building;
- to provide material that would generate discussion on emerging partnership issues, such as partner choice, ethical concerns, and language issues;
- to document some best practices of successful Canadian corporate/not-for-profit partnerships.

Personally, as well as from an organizational perspective, I have had many opportunities to work with companies in Calgary and beyond. Volunteer Calgary's mission is to build a community that provides leadership in volunteerism. To that end, it is important that we understand how employee volunteerism fits into the new picture so that we can offer good programming to the many organizations and businesses who come to us for assistance. Those \$629 million-plus corporate dollars are also a powerful incentive for knowing what's happening out there. I can't think of many not-for-profits, including ours, that don't want to increase their funding base. If we are to do so, we need to understand how to more effectively build relationships with business.

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There is, without question, a link between economic and social issues, and I am optimistic that there is mutual concern in the for-profit and not-for-profit sectors for the well-being of communities everywhere. With an increased focus on globalization, we are all, I hope, becoming more aware that the decisions we make today impact the world we live in tomorrow. As an idealist, I have to believe that there is values-centered leadership in both sectors and that together, if we so choose, we can have tremendous positive impact in addressing the serious social concerns of today and the future.

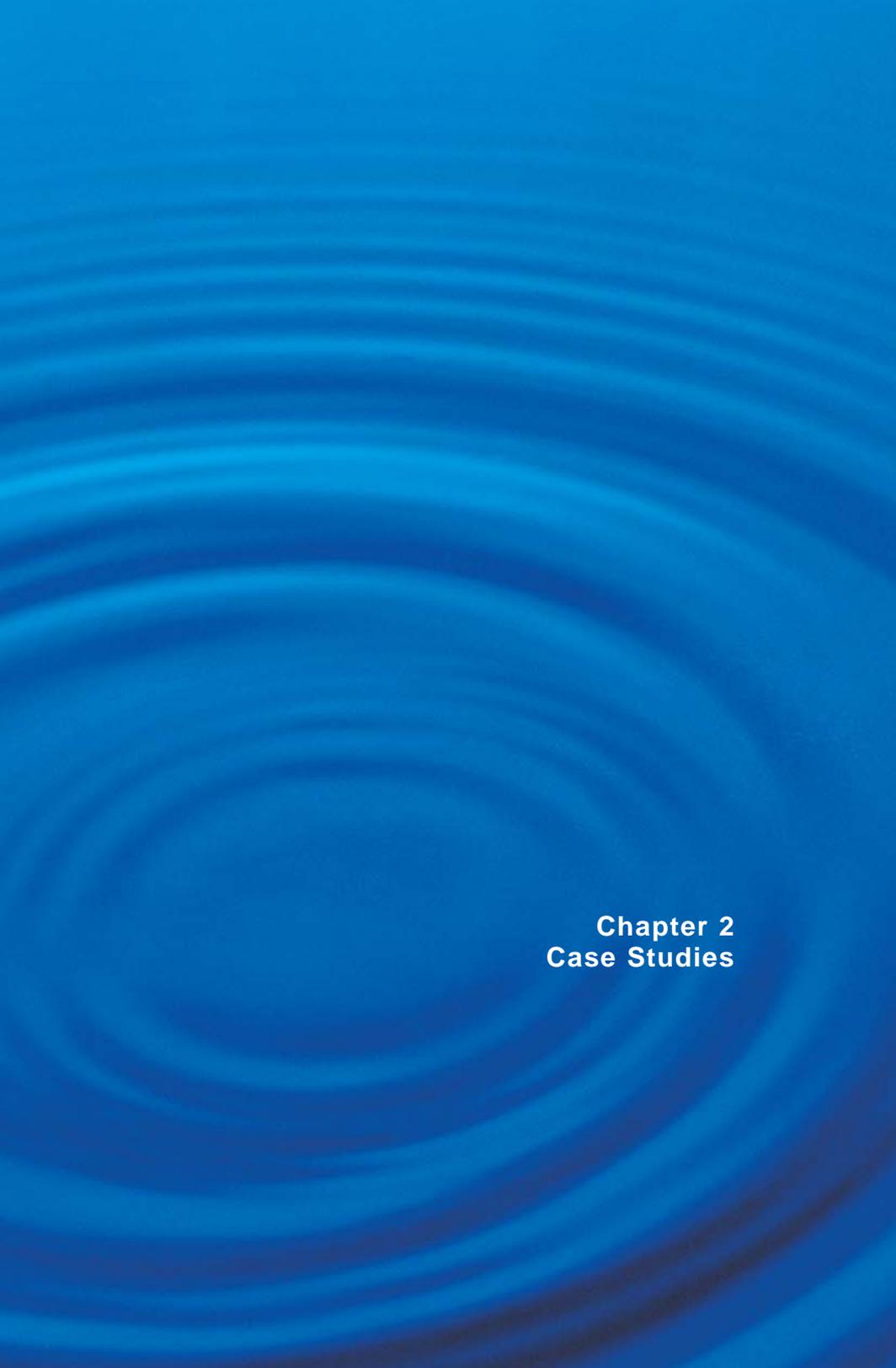
In the broader context, I hope that both corporations and the not-for-profit community in Canada find what I have written of interest and will be able to apply some of my learnings to their present circumstance.

1.6 Methodology

The methods I used to compile my research were many and varied.

- Over the last year I have talked extensively with representatives from many Canadian companies, both large and small. All were eager to share their successes and their frustrations in their move toward more strategic giving. I also met or spoke with many of their community partners, who were also forthcoming and more than willing to share their experiences with Canadian business.
- The Centre for Philanthropy's *Imagine* Program allowed me access to more than 300 nominations for the New Spirit of Community Partnership Awards. The awards program, which showcases and recognizes a broad range of partnerships between business and the voluntary sector, offered a wealth of information about how business and not-for-profits increasingly are working together on finding solutions to community needs.
- I read volumes on partnership practices and community investment strategies — books, articles, research papers, and corporate publications. The Internet provided additional background information on good corporate and not-for-profit practices. Meetings with Centre for Philanthropy staff, the Canadian Centre for Business in the Community, Business for Social Responsibility (San Francisco), and the Caledon Institute of Social Policy were also extremely valuable.
- I was able to engage in lengthy and challenging conversations with Richard Steckel, author of *Doing Best While Doing Good* and *America's Best Non-Profits*; Eric Young of E.Y.E., a social marketing firm in Toronto; and Chris Pinney, Director of the *Imagine* Program. A conversation with David Nitkin of Ethic Scan Canada (Toronto), co-author of "Shopping With A Conscience," provided interesting perspectives on the larger issues around corporate social responsibility and business ethics.
- I attended the Canadian Policy Research Networks Inc. consultation on *Charities Doing Commercial Ventures and Standards for the New Millennium*, a conference focused on social, ethical accounting, auditing, and reporting. Both events provided me with more learning and highlighted additional challenges for both the not-for-profit and business sectors.

- I obtained information from the Council on Foundations (U.S.) on “Measuring the Value of Corporate Citizenship,” from Boston College’s Centre for Corporate Community Relations on “Neighbour of Choice” strategies, and from the Points of Light Foundation in the United States on employee volunteerism. I also accessed information from Great Britain’s Centre for Tomorrow’s Company on managing relations with key stakeholders, from the New Economics Foundation, and from the Institute of Social and Ethical Accountability on social auditing. These materials gave me a more global perspective on emerging trends in corporate citizenship.
- I researched and wrote 11 Canadian case studies, which together represent large and small, private and public companies.

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Chapter 2
Case Studies

Case Studies

2.1 Introduction

As stated under “Methodology” in Chapter 1, in order to more clearly understand the evolving nature of strategic philanthropy, I researched and wrote 11 Canadian case studies. The companies I chose to write about are all different, yet all share similarities. Together, they represent large and small, private and public companies.

All have different areas of focus, and all have used different strategies and tactics in developing their community investment programs. All have innovative community partnerships. While several do not have written community investment policies and procedures, all have been proactive in focusing their resources around key partnerships and issues. I chose them because I believe they are all leaders in trying to find new ways to relate to the communities in which they work.

In each case study I have focused on the details of the company’s community investment strategies and on their not-for-profit relationships in order to give both the corporations and the not-for-profits reading this some awareness of how their particular programs and partnerships have evolved.

As more and more companies align their business interests and resources with community partnership models and their success stories are told, it is likely that they will become the best practices that others will emulate. As their not-for-profit partners become more comfortable with aligning their causes with business interests, there is more likelihood that they in turn will be more proactive and more selective in searching out new partners.

The companies on which I have compiled case studies are:

- **GlaxoWellcome Inc.**, a pharmaceutical company and the **Insurance Corporation of British Columbia**, a crown corporation. Both are using social marketing strategies to impact community change over the long term.
- **Avon Canada** focuses its community investment on cause-related marketing strategies to earn dollars for breast cancer research in Canada.
- **Canadian Airlines International Ltd.** has no charitable budget yet manages to leverage airline tickets and employee volunteerism into impactful community initiatives.
- **TELUS Corporation** adheres to the “Neighbour of Choice” philosophy. It was one of the first companies in Canada to establish a formalized volunteer program.
- **Canadian Pacific Hotels** has a signature project called the *Adopt-a-Shelter* program. It was initiated by one employee and has evolved into a project supported by hotel employees all across Canada.
- **Husky Injection Molding Systems Ltd.**, a company that has recently gone public, primarily focuses on environmental issues. It has several partnership programs that involve significant commitment of corporate resources.
- **Telemedia Communications Inc.** and **Flint Canada Inc.** are both privately owned companies that have developed partnership projects initiated by employees.
- **Woody’s on Church**, a privately owned neighbourhood bar in Toronto, earns substantial dollars annually by engaging both customers and employees in fundraising activities that support neighbourhood causes.
- **Chevron Canada Resources** has dramatically reduced the number of organizations it funds in order to focus more time and energy on partnership initiatives. The company involves all of its work sites in strategic community investment strategies.

For details of individual case studies refer to “Appendix A — Details of Case Studies”.

2.2 Case Study Findings

In general, many similarities in community investment vision, methodology, and strategy emerged from the case studies of the 11 companies, which in other respects (*e.g.* corporate mission, business goals) were very different from each other. These similarities are discussed below.

2.2.1 Criteria and Issues — Corporations

When asked for the top five key criteria for high-performance corporate investment programs, all companies studied consistently responded with the following:

- 1) opportunities for strategic alliances/partnerships with the community and with key stakeholders;
- 2) alignment with business objectives and corporate vision/values, coupled with win-win opportunities for business and the community;
- 3) measurable impact, solution-based strategies, “making a difference”;
- 4) alignment with issues employees care about, as well as employee involvement; and
- 5) a clear focus with articulated objectives.

Other criteria the companies identified included visibility, sustainability, and entrenchment in policy and a “more than money” perspective. Understanding and support from senior management, efficient use of resources, and internal accountability were also mentioned. Continuous improvement and flexibility and a focus on causes rather than organizations were further criteria that were identified.

When asked to comment on unexpected issues companies encountered as they implemented more strategic giving initiatives, they identified the following:

- lack of preparedness of the not-for-profit sector;
- underestimation of needed resources (both time and human resources) to engage in partnership initiatives;

- territorialism between corporations and not-for-profit organizations;
- management of partner expectations;
- unexpected encouragement and support, both internally (particularly from management) and externally; and
- the difficulty of saying “no.”

2.2.2 Criteria and Issues — Not-for-Profits

As partnerships are a key element in community investment strategies, I asked a number of not-for-profits across Canada to share what they believed would be the criteria for a good partnership. They consistently responded with:

- finding the right partner;
- alignment with the mission/vision and values of the not-for-profit organization;
- valuing the knowledge and understanding of community issues that the not-for-profit can bring to the table;
- mutual respect, *i.e.*, not-for-profits don’t wish to be engaged as the “junior” partner;
- realistic and honest expectations, and mutually agreed upon measures of success; and
- long-term commitment — not just “flavour of the week.”

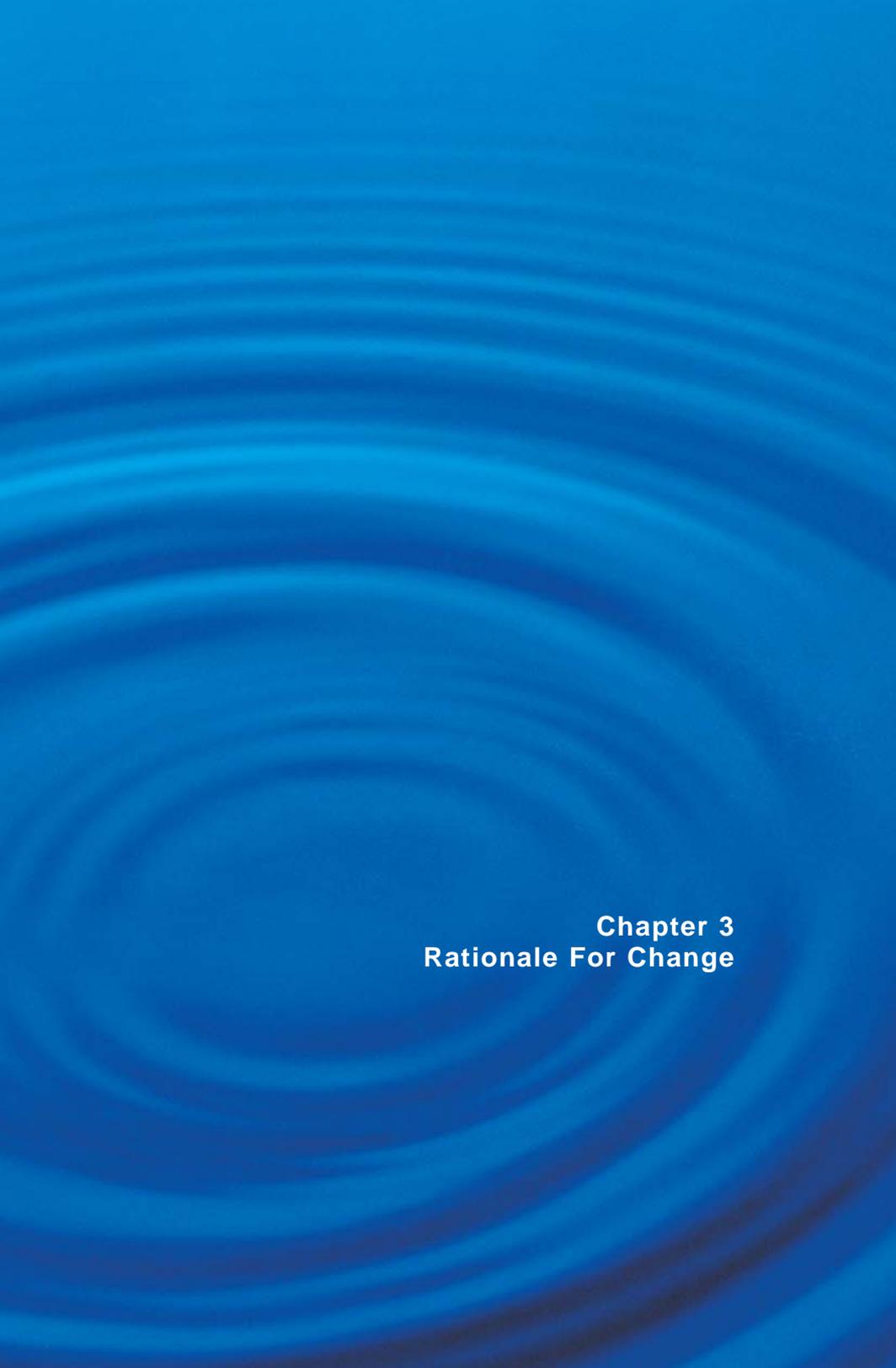
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Other criteria included a written agreement outlining roles and responsibilities and clear communication throughout the course of the program or initiative. Shared responsibility for identified deliverables, leveraging of new and different resources, trust, and sustainability were all mentioned as additional important criteria.

When asked to comment on unexpected issues they had encountered in their partnerships with business, not-for-profits identified the following:

- a lack of understanding in business about the complexity of community issues;

- positioning of the not-for-profit's agency/cause which increased its credibility and profile as well as that of the business partner;
- corporate expectations of exclusivity/branding without any guarantees of long-term commitment (*i.e.*, sponsorships disguised as partnerships);
- partnerships are often more than money — they often involve bringing corporate expertise, product, gifts-in-kind, and access to other community contacts and resources;
- frequently unrealistic expectations on the part of the company for the dollars invested; and
- the difficulty of saying “no.”

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Chapter 3
Rationale For Change

Rationale for Change

3.1 Introduction

There are many reasons for a shift in how companies and not-for-profit organizations interact. Both internal and external factors are impacting these changes. I believe not-for-profits and corporations are pragmatically responding to a variety of key drivers (Figure 2).

Figure 2 — Rationale for change

| | Drivers | Pragmatic Response |
|----------------|--|---|
| Corporate | <ul style="list-style-type: none"> • Cynicism • Market expectations • Accountability • Efficacy • Image | <ul style="list-style-type: none"> • Build trust • Identify and address stakeholder concerns • Ensure outcomes/impact • Narrow the focus • Tell the story |
| Not-for-Profit | <ul style="list-style-type: none"> • Government Downsizing • Increased demand for service • Accountability • Competition • Sustainability | <ul style="list-style-type: none"> • Diversify funding • Focus on mission and ends • Ensure outcomes/impact • Build image and capacity • New markets for resources |

3.2 Corporate Rationale for Change

3.2.1 Cynicism: Building Trust

Canadians tend to be cynical about the motives of business. In a poll the Angus Reid Group conducted in 1996, 45 per cent of respondents said they felt corporations were irresponsible. While a subsequent poll in December, 1997, indicated a rise in support for corporations, 35 per cent of respondents still said corporations were behaving less responsibly in contributing to their society and their communities.³

In his book *Building Your Company's Good Name*, author Davis Young cites Reputation Rule Number 1 as: "People do business with organizations they trust."⁴

Davis goes on to say, "Good reputations are built on good actions and good policies that earn stakeholder trust."⁵

Richard Steckel and Robin Simons, in *Doing Best by Doing Good*, say:

People trust non-profits. It's almost as simple as that. We tend to believe in what they do, and almost more importantly, in how they do it. They are tackling the most pressing problems of our time for reasons other than personal gain. We acknowledge their integrity. We give them our trust.

Business, of course, is not so fortunate. We all know that business's bottom line is profit. No matter how altruistic a company may look, when push comes to shove what really counts is money.

³ Wright, John, 1998. "Corporate Responsibility." Presentation by John Wright, senior vice-president, Angus Reid Group, Jan. 20.

⁴ Young, Davis, 1996. *Building Your Company's Good Name*. Amacom, American Management Association: New York, New York, p. 6.

⁵ *Ibid.*, p. 11.

However, companies that associate with non-profits — that genuinely adopt a non-profit’s cause, that measurably help its work — find that an interesting thing happens. The good will accorded the non-profit rubs off on them. Supporters of the organization begin to look favorably on the company, even to buy its products if that will help the cause.⁶

While building trust requires far more than aligning the company with not-for-profit causes — for example, good employment practices, ethical standards, effective environmental practices — companies are recognizing that, as Steckel and Simons noted, “genuine” commitment to community offers a strategic corporate advantage.

Most corporate executives understand how important reputation management is to business success — that it costs a lot more to do damage control than to proactively aspire to good business practice. If damage control does become an issue, companies trusted by the publics with whom they do business are more quickly forgiven than those seen to be the perpetual “bad guys.” It is therefore no surprise that companies are becoming much more proactive in searching out new strategies for aligning their business objectives with social concerns in order to build a legacy of trust.

3.2.2 Market Expectations: Identifying and Addressing Stakeholder Concerns

Studies by the Market Vision Group in Toronto, Ontario consistently indicate that consumers will go out of their way to purchase products from companies they perceive to be “good” companies, and will boycott companies they perceive to behave inappropriately.

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Since consumers are demanding more accountability, it makes sense that companies wishing to attract new customers, as well as keep current customers, need to pay attention to the image of the company behind the product.

⁶ Steckel, Richard and Robin Simons, 1992. *Doing Good While Doing Best*. Dutton, a division of Penguin Books USA Inc.: New York, New York, p.13.

It isn't good enough anymore to have a nicely packaged product at a reasonable cost. If that company has a reputation for not treating its employees well, or if it is known to pollute the river running through town, or if it never supports local community initiatives, it will have a difficult time garnering any consumer interest, much less loyalty. Certainly customers want a spiffier widget, but they also want to know that the manufacturing of the widget is not unduly impacting the environment or being made at the expense of human capital in a Third World country.

More and more media stories are surfacing about companies taken to task by consumers for what the consumers consider unethical business practices. As well, traditional advertising and marketing strategies are not as effective as they used to be, and companies are looking for new ways to differentiate their products. Community involvement is becoming a strategic component in the marketing mix of many companies.

Companies not selling product directly to the public have similar issues to address. Like their consumer-focused colleagues, they have to deal with a public more inclined to speak out about injustice and bad behaviour, whether real or perceived. Relationships with the community are equally important to these companies if they wish to maintain their licence to operate.

Community activists, special interest groups, the media, and the public-at-large are not fond of companies that ignore good business practices. The government is no longer the only regulator for keeping the corporate doors open — the community is emerging as a powerful force in monitoring corporate performance.

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As market expectations have changed, many companies have determined that one of the better proactive approaches to building new business strategies around community investment strategies is to identify and address stakeholder concerns. A number of the companies I interviewed in the past year implemented new community investment strategies after actively consulting with employees, customers, shareholders, suppliers, and the community at large. Some spent significant dollars engaging external consultants who conducted surveys and focus groups with a variety of targeted participants.

In the forward of their book *The Stakeholder Corporation*, authors David Wheeler and Maria Sillanpaa say:

In the future, development of loyal relationships with customers, employees, shareholders, and other stakeholders will become one of the most important determinants of commercial viability and business success.

They outline their assumptions as follows:

- that enterprises which are run in the interests of a wide range of stakeholders are more likely to behave responsibly;
- that business can successfully create two kinds of value: commercial and social;
- that social and commercial value are mutually reinforcing, leading to greater stakeholder loyalty and corporate resilience;
- that social and commercial transparency lead to greater organizational identity and efficiency; and,
- that stakeholder inclusive enterprises will outperform stakeholder exclusive enterprises with increasing ease in the 21st century.⁷

The Body Shop is a company well known for its commitment to social and environmental performance. It undertakes extensive stakeholder consultation, sets goals for improvement, audits progress, and reports back to stakeholders. Beyond compliance and disclosure, the company actively engages in a variety of campaigns to positively impact social and environmental change.

While the stakeholder consultation process used by the companies I interviewed were focused specifically on how best to implement new ways for strategically investing in communities, the basic principles noted above are relevant. The companies were interested in knowing what community issues their stakeholders were concerned about. They were prepared to honour the input received by implementing new strategies that addressed the issues, and were committed to align community and business objectives to create more effective stakeholder relationships.

⁷Wheeler, David, and Maria Sillanpaa. 1997. *The Stakeholder Corporation: The Body Shop Blueprint for Maximizing Stakeholder Value*. Pitman Publishing: London, UK, page xi.

The consultations provided them with a benchmark against which they could measure success once strategies were implemented and, as stakeholders wanted to know what action was taken, a rationale for increased visibility.

3.2.3 Accountability: Ensuring Outcomes and Impact

In a recent article, philanthropist and businessman Alan Broadbent satirizes the “un-business-like” manner in which a great deal of philanthropy is conducted by imagining what a business would be like if it identified opportunities and performed its due diligence in as lax a manner as too many donations committees do.

Broadbent invents Dealco, whose board of directors is meeting to decide on a \$100,000 investment with a company called Fabco. He writes:

The chairman began by outlining the proposed investment. “Any questions,” he asked. “What do we know about this Fabco, John?”

“Excellent question. Not much. They manufacture things.”

“So Fabco is in manufacturing, which is a useful idea. Are they any good at it?”

“I’m not sure exactly how good, but I think they are good.”

“What will they use our funds for, John?” another director asked.

“I’m not exactly sure. They actually wanted a lot more than \$100,000, but I figured that is what we wanted to do.”

Another director asked how this opportunity had come to the company. “Through a guy I knew at the golf club,” the Chairman replied. “Phil and Mary know him too.”

“What kind of return on investment are we expecting on this?” a young woman asked.

The Chairman looked slightly surprised. “Return? I’m not certain. I’m sure it will be all right.”⁸

⁸ Appleyard, James. 1997. “Sharing the Costs of Building Community: Improving Corporate Philanthropy in Canada.” MBA Independent Study Project, Faculty of Management, University of Toronto, pp. 16 and 17.

There is increased expectation that corporate giving will complement business interests and, like any other business function, will contribute in some way to the bottom line. No company would spend \$100,000 on a business initiative as frivolously as was satirized above, and yet for years corporations have given to a variety of causes for the simple reason that they were *perceived* as good causes and because it seemed “the right thing to do.”

In many instances, donations have been given in a helter-skelter fashion, a bit here and a bit there, and little expectation of accountability internally or externally. That is not to say that up to now good has not been accomplished — it has. The reality of today, however, is that there is an increased focus on accountability; and more strenuous expectations are imposed on the community relations practitioner and the causes the company chooses to support. There is also a growing expectation that dollars spent should be applied less against band-aid solutions and more against those that will bring about long-term systemic change.

3.2.4 Efficacy: Narrowing the Focus

Corporations are bombarded with requests for funding. Over the last few years government funding has been cut drastically. It is estimated that since 1993 the Alberta provincial government alone has reduced spending on education, health, and social services by \$1 billion.⁹

Similar reductions are evident in every province in the country. Add in federal cuts and imagine the impact on human services in Canada. As noted in Figure 1 on Page 3, the Canadian Centre for Philanthropy estimates that to make up for every one per cent loss in government support, charities would need to increase individual giving by six per cent or corporate giving by 49 per cent, or dramatically increase revenue from other sources. It should come as no surprise that business is a primary target for some of those depleted funds particularly, and as previously noted, at a time when the public believes business should be contributing more to social issues.

⁹ United Way of Calgary. 1998. “Perspective on Calgary.” p. 5.

With thousands of requests for funding coming by mail, phone, and fax, companies have been pushed to look at how to best use their resources in the most productive ways. An obvious strategy has been to question the wisdom of giving a little bit to many causes rather than choosing fewer causes and aiming for more impact.

Corporate Relations staff have had to look at efficiencies in handling the volume of requests:

- moving to partnership and issue-focused initiatives rather than funding individual organizations;
- producing published guidelines that discourage community organizations from applying if they don't fit the focused criteria; and
- reducing the number of times they consider grant applications in any one year.

3.2.5 Image: Telling the Story

Image is important. How a business is perceived impacts product sales and relationships with employees, customers, investors, and other key stakeholders.

I have seen several surveys in which Canadians were asked to name generous companies. In most instances, unaided, they might be able to name three or four. They can name industry groups like the banks or oil and gas companies, but beyond that, they are fresh out of specifics.

When asked, respondents readily agree that business should take credit for their involvement in community and should promote their community partnerships. Stakeholders want to hear about what companies are doing and with whom. Employees and retirees who are well-informed, supportive of, and involved with a company's community investment program are proud of the company they work for, tend to be more loyal, and are often the company's best public relations ambassadors.

In the past, business has generally relied on the charities they support to tell their story and any attempt to tell their story has been appreciated. Based on the increased need to be accountable, to have impact, to build trust with key stakeholders, and encourage brand loyalty, companies are starting to budget dollars over and above their community investment dollars to promote their strategic giving activities.

Communications materials and planning connected to community partnerships are becoming a key component of negotiations. Targeted promotional materials are more frequently part of the partnership, with the company involving their communications and marketing staff in the creation and distribution of materials.

Working with their not-for-profit partners, companies are using communications dollars to leverage media partners, by engaging them in an expanded partnership strategy. Companies are more frequently including reference to their community activities in their annual reports and meetings. With larger Canadian companies, special community publications are being created and widely circulated. Many now reference community activities on their internal e-mail systems and in company newsletters. Senior management is more frequently involved and visible.

3.3 Not-for-Profit Rationale for Change

3.3.1 Government Downsizing: Diversify Funding

The voluntary sector is critical not only to the social and democratic well-being of the country, but to its economic health as well. Although we think of the sector as consisting of volunteers, it is, in fact a major employer, producing over 1.3 million jobs. And with annual revenues of \$90 billion, it is comparable in size to the entire economy of British Columbia.¹⁰

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The not-for-profit sector, sometimes called the “non-profit” sector or as noted in the quote above, the “voluntary sector,” is estimated to include more than 75,000 registered charities and equally as many voluntary organizations not registered as charities under the *Income Tax Act*.

These organizations are engaged in community initiatives that are broad in scope and address a wide range of issues in health, education, sports, civic causes, and the arts. Despite the fact that government still provides 60 per cent of all charitable funding in

¹⁰ Voluntary Sector Roundtable, 1998. “Helping Canadians Help Canadians: Improving Governance and Accountability in the Voluntary Sector,” p.10.

Canada, the reduction in government funding over the past few years has put immense strain on the sector.

More and more not-for-profits are seeking a balanced mix of funding. One option in the need to diversify funding is to look at the private sector — to create new kinds of partnerships, to tie their names and their good reputations with that of a company which supports their cause. We are seeing more cause-related marketing ventures, more sponsored events, and more focus on projects and programs that earn revenue.

3.3.2 Increased Demand for Service: Focus on Mission and Ends

For a variety of economic and social reasons, demand for services has escalated. As a society, we seem to have an ever-increasing array of needs that are more and more complex. Our population is more diverse, and program offerings are constantly in need of change if they are to be effective.

With government downsizing over the past few years, often without consultation with the not-for-profit sector and frequently without a lot of “what will happen if” dialogue, dealing with gaps in service is taking its toll. When fees go up at universities, we see more students at food banks. When housing subsidies are reduced, we see more people on the street. When health care is cut and hospital stays reduced, those living on their own need increased home care. When the social safety net gets a shake as hard as it has in the past five years, it takes a while to figure out how to regain any sense of equilibrium.

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Organizations, in having to deal with those tired four letter words “more with less,” are constantly having to revisit their missions and focus energy on their desired ends. What are they mandated to do, and how are they going to get the work done when dollars for base operational budgets and infrastructure have generally shrunk or remained static? The not-for-profits that are successfully addressing these new realities are committed to high standards, are mission-focused, and aware of where they are going and how they intend to get there.

3.3.3 Accountability: Ensure Outcomes and Impact

Like our corporate and government counterparts, accountability has become a key issue for the not-for-profit sector. Traditional financial performance measures aren't enough to satisfy today's expectations from key stakeholders — clients, employees, donors, volunteers, and community partners.

As public trust is key to the sector, there is increased focus on how to ensure that the work being done has impact. What are not-for-profit organizations accountable for? According to a report by a February, 1999 panel on accountability and governance in the voluntary sector:

Voluntary organizations are self-governing agencies which hold a public trust related to a particular mission and they generally use donated funds to accomplish this mission. As a result, these organizations are responsible for what they choose to do and how well they do it. This means they are, at a minimum, accountable for:

- establishing an appropriate mission and/or policy priorities and ensuring their relevance;
- sound management of funds received from donors and governments and of expenditures;
- effective organizational governance (including structures and processes for managing human resources); and
- the outcomes, quality and range of their programs and services. ¹¹

The report goes on to outline several strategies for increasing the accountability of the sector, and builds an excellent case for needing to find resources and build capacity for doing so if there is to be increased accountability.

¹¹ Panel on Accountability and Governance in the Voluntary Sector, the Voluntary Sector Roundtable, February, 1999. "Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector," p. 11.

Having worked with literally hundreds of community organizations over the past 30 years, I know their staff work long hours, are incredibly motivated, serve their clients with energy and enthusiasm, and for the most part run their organizations well. At any one time, most of them can provide reams of activity reports — how many clients they served and how effectively they delivered services.

According to authors Stephen Murgatroyd and Don Simpson, in a workbook developed by the AXIA Performance Centre in partnership with the Peter F. Drucker Canadian Foundation and the Volunteer Centre of Calgary:

Many small and medium sized non-profits are in a dilemma over this measurement issue asking: “How do we best demonstrate our efficiency and effectiveness without such a demonstration taking time away from the task at hand — helping people develop their abilities to cope with the pressures and realities of life?”¹²

As the quote suggests, the focus of most organizations is “to do” — to address the needs of those coming to them for help. There has been little financial support for hiring the professional resources or building the specialized skills needed to do long-term qualitative impact measurement.

In his presentation to the 1996 Annual Meeting of the Canadian Evaluation Society, Burt Perrin said:

...the current fascination with performance indicators runs the risk of being just another management fad, which too shall pass in the course of time. There is a real danger that, if not used with care, inappropriate use of performance indicators can have perverse effects and result in the opposite of what is intended.¹³

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The not-for-profit sector will continue to be challenged to find the right approach and the resources required to demonstrate organizational performance and desired program results while at the same time meeting immediate client needs.

¹² Murgatroyd, Stephen and Don Simpson, 1997. *Making Measurement Work — Using a Balanced Scorecard in Nonprofit Organizations*. Developed in partnership with the Peter F. Drucker, Canadian Foundation and the Volunteer Centre of Calgary. AXIA Performance Centre: London, Ont., p. 9.

¹³ Perrin, Burt, 1996. “Use and Misuse of Performance Measurement Systems; A consideration of Past History, Limitations, and Strategies for Effective Use of ‘Performance Indicators.’” Burt Perrin Associated, notes for a presentation to the Annual Meeting of the Canadian Evaluation Society, Winnipeg, May 30, p. 1.

3.3.4 Competition: Build Image and Capacity

As governments have redefined and reduced their roles, new demands have been placed on voluntary organizations. They must not only deliver more services, but also serve new groups of people who often have more complex needs. New sources of funding have had to be found and, with more groups chasing private and corporate dollars that are growing (but only modestly), competition in fundraising has become intense. Not only must voluntary organizations compete with each other, but with governments which increasingly are raising charitable dollars to pay for special projects, disaster relief and other public services.¹⁴

Couple the chase for more dollars with having to compete for volunteers — direct service volunteers as well as board members and volunteers for fundraising campaigns.

A 1997 national survey reported that 7.5 million Canadians volunteer — that is 31.4 per cent of the Canadian population over the age of 15. In comparison to a previous study done in 1987, this represents an increase of 4.6 per cent. Volunteers contributed just over a billion hours of time in the year of the study — the equivalent of 578,000 full-time jobs.¹⁵

While more people in Canada are volunteering, they are volunteering less time. Volunteer managers across the country are obliged to be much more creative in how they design volunteer opportunities to accommodate the changing face of volunteerism. In many instances, it takes three volunteers to do the same work that one volunteer did 10 years ago.

Volunteer managers are challenged to be able to deliver core services with the complement of very part-time volunteers. Volunteers of today are as discerning about how they spend their time as how they spend their money. If not-for-profits don't use it wisely and well, the

¹⁴ Panel on Accountability and Governance in the Voluntary Sector, the Voluntary Sector Roundtable, February, 1999. "Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector," p. 5.

¹⁵ Canadian Centre for Philanthropy, Volunteer Canada, the Non-Profit Sector Research Initiative, Canadian Heritage, Health Canada, Human Resources Development Canada, Statistics Canada., 1998. "Caring Canadians, Involved Canadians. Highlights from the 1997 National Survey of Giving, Volunteering and Participating," p. 27.

volunteers move on.

Given the pressures of the competition, not-for-profits, like their corporate partners, are ever more conscious of the need to have a good community image — to be a place where donors want to give their dollars and where volunteers want to come, and even more importantly, where they want to stay.

The work that not-for-profits do is for the public good, not private gain. Their good reputations are necessary for maintaining public trust.

Michael Hall, director of research for the Canadian Centre for Philanthropy, reported in 1998 that research indicates that public accountability concerns about the sector are mainly the need for information about how money is being used and a desire to know what is being accomplished with the money.¹⁶

Ethical fundraising practices, solid financial accounting, good communication with donors and volunteers, doing what you say you are going to do, and communicating results — all are key to maintaining the integrity of a not-for-profit organization.

3.3.5 Sustainability: Identify New Markets for Resources

As most not-for-profits are loath to cut services, organizations have been pushed to redeploy staff and resources to increase the level of fund development. There are increased public campaigns through direct mail and telemarketing. The search for viable earned revenue options — fees for service, sale of product, contracted services, cause marketing ventures, commercial enterprises — all are top of mind for forward thinking organizations who are looking for new ways to generate revenue.

Most corporate and foundation funding is traditionally through special project grants. These grants often provide opportunities to test new ideas and initiate innovative program concepts, but unless sustainability strategies are integrated at the project's onset and

¹⁶ Hall, Michael, 1998. "What is Accountability? The Canadian Public's View." A presentation to The Canadian Centre for Philanthropy's Fourth Annual Symposium, May 4 - 5, p. 5.

implemented within a short time, many not-for-profits have difficulty maintaining programs at the end of pilot phase.

Many funders are resistant to covering administrative or infrastructure costs, and new dollars for ongoing core funding are impossible to find. With the decline of government support, alternate strategies for generation of operational dollars is a priority. In a 1998 issue of *The Harvard Business Review*, J. Gregory Dees writes:

Nonprofit leaders are searching for the holy grail of financial sustainability. Self-funding is the new mantra. At a minimum, organizations seek a diversity of funding sources to provide a cushion in case one source declines or disappears.¹⁷

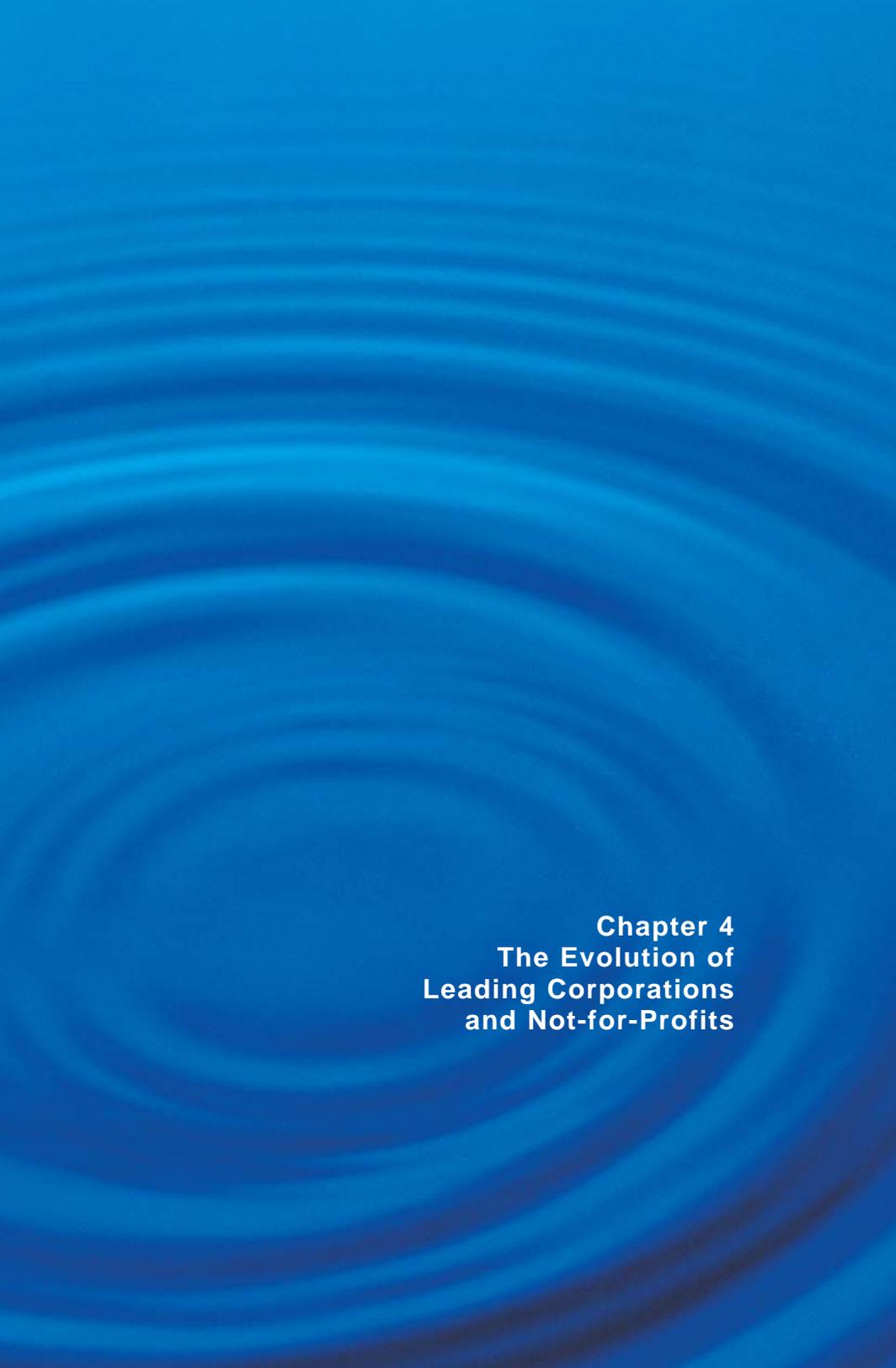
David Stewart-Patterson, a senior associate with the Business Council on National Issues, says:

The shift in the economy toward knowledge based work and the trend towards smaller governments is raising public expectations of corporations. Corporate leaders face more pressure to do more for their communities.¹⁸

As not-for-profits shift to explore and engage in a variety of fund development ventures that are more focused on commercial enterprise, social partnerships with business are an obvious option.

¹⁷ Dees, J. Gregory, 1998. "Enterprising Nonprofits." *Harvard Business Review*, January-February, p. 56.

¹⁸ Stewart-Patterson, David, 1998. Perspectives on Partnership - Social Partnership Project." Caledon Institute for Social Policy. Renouf Publishing Company Limited: Ottawa, Ont., p. 39.

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Chapter 4
The Evolution of
Leading Corporations
and Not-for-Profits

The Evolution of Leading Corporations and Not-for-Profits

4.1 Introduction

In assessing the changing funding base of non-profit organizations and the evolution of corporate community investment, there appears to be a correlation between the stages of development of leading or learning not-for-profits and leading or learning corporations (Figures 3 on Page 33 and 4 on Page 34). In the continuum, not-for-profit organizations and businesses are not necessarily positioned in any one strata of the continuum and may straddle more than one. There is, I believe, a push for all of us to move toward citizenship practices as public expectations demand increased accountability and involvement.

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4.2 Leading Corporations

4.2.1 Cheque Book Philanthropy

Until fairly recently, corporations in Canada, particularly the majors, have supported traditional charitable causes primarily through cheque book philanthropy. While many large Canadian businesses had formulas for community involvement, *i.e.*, percentages of charitable dollars being allocated to different sub-sectors of the charitable community like arts, health, education, social services, or civic causes, their interaction with the charities receiving grants had been nominal.

Rarely did the corporation seek out involvement beyond negotiating the recognition package, whether that was name placement on promotional materials or the naming of a building or part of a building as in the case of capital grants. Corporate donation officers, sometimes with the help of a corporate contributions committee, determined where their dollars would be spent, based on the previous year's commitments and the likelihood of anticipated new proposals. Frequently, decisions were heavily influenced by corporate management and were dependent on which campaign(s) top level managers and the CEO were personally involved in.

In-kind and product donations have long been part of the donation mix; however, most were in reaction to a request for support or due to a company's need to dispose of materials and goods that were no longer needed by the company.

While for larger companies this trend has changed quite dramatically, many small and middle-size businesses are still determining their charitable contributions by reacting to requests that come in the door. Many are written off as business expense and not reported to Revenue Canada as a charitable tax deduction. In many of these companies, decisions are still frequently made, particularly in privately-owned companies, by the CEO.

While donations of cash, in-kind, and product have been and will continue to be of tremendous value to not-for-profit organizations, corporate donations have been and in many cases continue to be unrelated to business objectives.

It is ironic that many business executives who would never make a decision about marketing or manufacturing without the best advice available are quite willing to make decisions about corporate philanthropy without the benefit of advice and counsel of equal competence or stature.¹⁹

¹⁹ Shannon, James P., Editor, 1991. *The Corporate Contributions Handbook: Devoting Private Means to Public Needs*. Publication of the Council on Foundations, Washington, D.C. Jossey – Bass Nonprofit Sector Series: San Francisco, Calif., p. 16.

Figure 3 — Leading Corporations

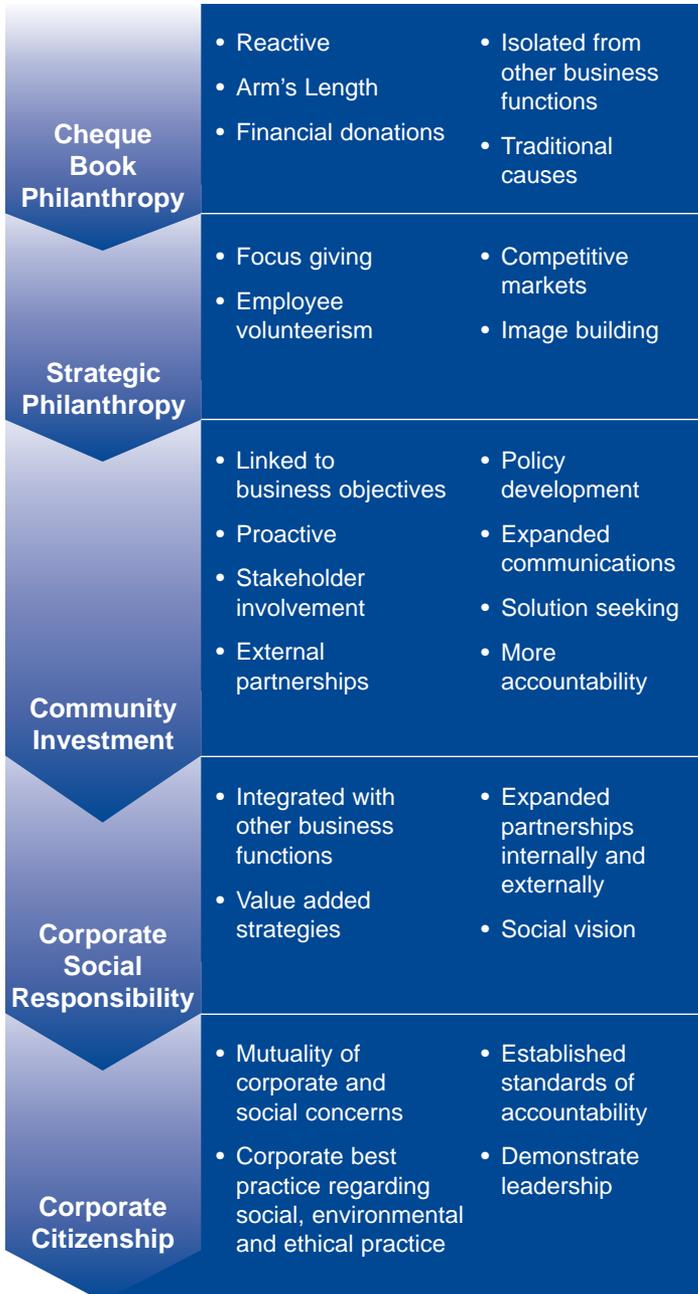


Figure 4 — Leading Not-for-Profits

| | | |
|--|--|--|
| <p>Service Provider/ Entitlement</p> | <ul style="list-style-type: none"> • Do “good works” • Deserving • Dependent on key funders | <ul style="list-style-type: none"> • Isolated • Poverty mentality • Focus on mission |
| <p>Strategic Repositioning</p> | <ul style="list-style-type: none"> • Diversified funding needs • Sectoral collaborations | <ul style="list-style-type: none"> • Competition for dollars and volunteers • Focus on mission and markets |
| <p>Partnerships & Collaborations</p> | <ul style="list-style-type: none"> • Knowledge of issue • Proactive • Sustainability focus • Enterprise thinking | <ul style="list-style-type: none"> • Build business capability • Build supportive organizational culture • Cross-sectoral partnerships • More accountability |
| <p>Not-for-Profit Social Responsibility</p> | <ul style="list-style-type: none"> • Value-added strategies • Increased involvement in public policy decisions | <ul style="list-style-type: none"> • Tackle broad social issues vs. narrow organizational issues |
| <p>Not-for-Profit Citizenship</p> | <ul style="list-style-type: none"> • Commitment to build community capacity • Not-for-Profit best practice regarding social, environmental and ethical practices | <ul style="list-style-type: none"> • Established standards of accountability • Demonstrate leadership • Promote civil society |

4.2.2 Strategic Philanthropy

In a 1997 survey of *Imagine* members of the Canadian Centre for Philanthropy, companies reported a 40 per cent increase in donations requests from 1995 to 1996, with some companies experiencing a 10-fold increase in demand. Due, in part, to a dramatic increase in requests for funding, many Canadian companies, as mentioned earlier, determined a need to focus their giving.

Despite corporate donations in Canada increasing annually over the past few years — between seven and nine per cent according to reports from the Canadian Centre for Business and the Community — increased community need far outstrips the increase in corporate donations. To effectively deal with the bombardment of requests, many corporations began to look for efficiencies in responding to the volume of proposals, as well as new ways to tie their support to more strategic giving.

As many companies focused their giving — choosing fewer, but more impactful community initiatives to support — employee volunteerism also became a key strategy in leveraging, in a strategic way, more resources to the community. In the last few years, there have been numerous surveys indicating that employees wish to work for socially responsible companies.

While many employees have been involved in community activities in their own right, trends in the last few years indicate they also want demonstrable support for those activities from the companies which employ them. There has also been a growing realization that employees can enhance their skills, particularly communication and teamwork skills, through involvement with community initiatives.

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To recruit and retain talent, companies have been obliged to look at their employees as a critical component of focused giving.

As niche marketing, reaching consumers, brand equity, and reputation management became more important to Canadian mainstream business, companies became more aware that their support to community could be a key element in building their image and selling product.

4.2.3 Community Investment

In moving away from the charity model, forward-thinking companies in Canada are now moving beyond focused giving to strategic community investment. They are connecting to articulated business interests and interacting with and responding to increased expectations of key stakeholders.

With employees, customers, shareholders, regulatory bodies, and the community-at-large expecting not just added value, but added values, companies are embarking on a much more proactive approach to community involvement. In doing so, they are building strategic alliances and partnerships with communities that require a more consultative approach and a longer-term commitment to not just deal with the issues of today, but to also address issues that will have long-term impact on the communities of tomorrow.

Community initiatives are more closely tied to the mission, vision, and values of the corporation, with companies aligning corporate relations objectives with corporate objectives. Company policy regarding employee volunteerism — flex time and release time — are now on the agenda. Employee involvement in community is more frequently part of not only recruitment strategy, but part of performance assessment.

Business interests may vary from selling product or services to carefully analyzing workforce needs of the future and supporting community initiatives that might strengthen either or both. Engaging employees in identifying the causes they care about and then investing resources in those causes strategically builds employee ownership in community initiatives. Involving customers and suppliers also increases the corporation's ability to impact issues.

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With the growing realization that corporate Canada has a wealth of resources beyond the cheque book and that a healthy community greatly enhances the likelihood of a successful business, corporate relations staff are becoming much more creative in how they leverage resources to augment their cash donations.

With a more demanding public, with traditional advertising not “cutting it” anymore, with increased employee expectations and with an overwhelming need for resources in the community, many companies are realizing that building both an internal as well as an external business case for strategic giving is essential.

With that business case, there is increased need for new strategies for measuring impact, both from a process and from an outcome perspective. This is particularly challenging as outcomes are often very different for each stakeholder in a community initiative. What's important to the corporation, to employees, and to the community?

- If a business is interested in enhancing employee loyalty and pride in the company, are programs designed to include success indicators?
- If a company is moving toward community investment strategies that aim to impact long-term systemic change — to seek solutions to complex social issues — are they investing additional dollars to work with their community partners to design and implement measurement strategies that demonstrate long-term impact?
- If public profile is a key element for community investment staff, are evolving strategies ensuring there is a baseline against which to measure the impact of a particular strategy? Are dollars and human resources budgeted to create that baseline?
- Is there a communication plan in which the corporation is prepared to invest dollars to ensure that, after consultation with key stakeholders, there is a strategy to communicate both the plan and the results of whatever initiative is undertaken? Stakeholders, particularly employees, want to know what action has been taken. They appear to agree with the old adage, “If nobody knows you did it, you didn’t do it.”

As companies move toward more sophisticated community investment strategies and improve the effectiveness of their programs, they are actively seeking new tools, new models, and new ideas for implementing more quantifiable performance measures. The core competencies required to be proactive, to blend business needs with community programs without compromising either community or company values, and to measure the impact of new strategies and tactics are considerably different than those required to simply write a cheque.

4.2.4 Corporate Social Responsibility

As demonstrated in a number of the case studies contained in this document, companies are moving toward actively involving other company departments in integrating community investment strategies in their business planning.

Impact on employees is identified by CEOs as the most pervasive benefit of corporate community involvement, according to a survey of 150 member firms by the Business Council on National Issues (BCNI). Helping the community was seen as helping the company meet various human resource management goals from recruiting and retaining skilled people to building employee morale, loyalty, motivation, and productivity. When employees take part in community activities, they also develop skills that are valuable on the job.²⁰

The report also identified alignment with customer relations, government relations, and public image, and to the need for “strong and stable communities.”

In “Global Corporate Citizenship: Rationale and Strategies,” community involvement is aligned with a broader context of corporate social responsibility and citizenship. Chris Marsden, author of the forward, writes:

Much still needs to be done to help the doubters understand the value of a genuine partnership approach rather than philanthropy, where instead of reactive, arms length, financial donations, companies undertake planned community investments designed to bring their business closer to the community and create genuine win-win, sustainable relationships and mutual value.²¹

Social responsibility has long been bandied about as a rather nebulous good thing. It has primarily been associated with companies giving dollars to the community as the right thing to do. Very little attention has been focused on whether or not they did it right.

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More and more, companies are recognizing that social responsibility is a good business strategy if integrated and understood by all, and if it focuses on adding value to both the corporation and the community. Increasingly, companies are looking at how to establish, as part of their overarching business objectives, social visions that publicly define their role in ensuring the communities in which they do business are strong and healthy.

²⁰ *Inter Sector*, 1997. Newsletter for *Imagine*'s community partners. Volume 4, Number 1, Nov./Dec.

²¹ Logan, David, Delwin Roy and Laurie Regelbrugge, 1997. *Global Corporate Citizenship: Rationale and Strategies*. The Hitachi Foundation: Washington, D.C., p. 5.

Petro-Canada's president and chief executive officer Jim Stanford says in a publication announcing Petro-Canada's social vision (Petro-Canada is investing its energy in developing Canadian talent, expertise, and innovation, through education):

Canadian business is facing a new reality — that making a profit and redistributing it back to shareholders is no longer considered a complete measure of success. Today, it is increasingly recognized that to sustain continued, profitable growth, a company must deliver value to shareholders, customers, employees and the communities in which it operates.²²

4.2.5 Corporate Citizenship

As more companies realize there is mutuality between corporate and social concerns, and that economic success is directly linked to healthy communities:

. . . many leading companies are now exploring a broader range of social responsibility issues under the banner of corporate citizenship. This wider area includes, in addition to community investment, environmental policies, ethics, workplace diversity, health and safety, family friendly workplaces and other issues.²³

Also:

The concept of sustainable development is built upon the intrinsic links between economic and social well-being. The objectives of economic and social well-being are not a contradiction in terms. They are not a trade off in which more of one means less of another. These twin goals are inextricably linked. Social well being is not merely a spin-off of economic development: it is also an essential prerequisite to economic well-being.²⁴

²² *In Brief*, 1998. Special Petro-Canada Edition, "Community Investment," May, p. 1.

²³ Prentice, Bill, 1998. "Creating Effective Community Support: A Guide for Business in Canada." Draft Document, Project Manager Valerie Tibbles. To be published by *Imagine*, a program of the Canadian Centre for Philanthropy: p. 10.

²⁴ Torjman, Sherri, 1996. "Sustainable Social Policy and Community Capital." Session Proceedings, June 18 and 19. The Caledon Institute of Social Policy, Summer Program, Program of the Institute in Management and Community Development. Concordia University: Montreal, Quebec, p. 7.

In a publication resulting from extensive research carried out in the United Kingdom in 1995 that focused on what would constitute the successful company of tomorrow, the writers state:

Tomorrow's company recognizes its interdependence with the community in which it operates. It develops leadership strategies which strengthen both the climate for business success and the community itself.

The report also says:

. . . the death of deference means pressure on companies from more demanding employees, customers, and communities who expect their individual needs and values to be respected

and in summary identifies that a company's licence to operate is directly tied to its business conduct.²⁵

In a publication of the Certified Accountants Educational Trust in London, England, researchers identify three key drivers for creating a new vision for business:

- Managerial Perspective — To survive and prosper in society, business needs to understand its activities and impacts, people's perceptions, and how best to influence those perceptions.
- Public Interest Rationale — Civil society has the ability to make business respond to changing interests and needs.
- Value-Shift — Business can evolve and take on a different historic role in society, at the same time as the roles traditionally taken on by the state are increasingly changing.²⁶

²⁵ Gatley, Linda, and Eileen Scholes, eds., 1995. *Tomorrow's Company: The Role of Business in a Changing World*. RSA Inquiry (The Royal Society for the encouragement of Arts, Manufactures and Commerce): London, England, pp. 5 and 10.

²⁶ Gonella, Claudia, Alison Pilling and Simon Zadek, 1998. *Making Values Count: Contemporary Experience in Social and Ethical Accounting, Auditing, and Reporting*. Certified Accountants Educational Trust: London, p.16.

In another document, the lead words are:

Time was when the discussion about corporate responsibility was mainly about shareholders and the bottom line. But that narrow focus really won't do anymore. If you don't talk about a wider range of values, you may not have a bottom line.²⁷

Corporate citizenship now focuses on the triple bottom line — financial accountability, environmental protection, and social equity. There are many indicators of this rapidly changing phenomena.

- There is a rising interest in social auditing, both as a key management tool and as a response to public criticism and pressure for more accountability. Social auditing is part of the larger practice of social and ethical accounting, auditing, and reporting. It is not a statutory obligation for companies, but is recognized by a growing number of companies as an opportunity to not only be more accountable to their stakeholders, but to also aspire to best practices.

Companies like Van City, Shell International Limited, and The Body Shop are all companies that publish social or values reports.

- More and more social investors are looking for ethical funds — those mutual funds that combine conscience with profits and meet standards of socially responsible business practice.
- Consumers are connecting their values with the products they buy or don't buy.
- Employees are more particular about the companies they work for.
- The media is quick to publicize bad business practice.
- Watchdog and advocacy groups are having increasingly more influence on government policy decisions that impact business.

²⁷ Walker, Robert, and Susan Flanagan, 1997. "The Ethical Imperative." *Financial Post Magazine Top 500*, p.28.

The financial performance of companies are audited through familiar good accounting standards. Standards for social and environmental practices are just beginning to evolve, and are distinctly more challenging to assess. Companies that wish to be known as good corporate citizens will choose to do more than comply with these emerging standards — they will choose to be leaders in creating them.

4.3 Leading Not-for-Profits

4.3.1 Service Provider/Entitlement

Not-for-profits have traditionally believed that as key service providers in the community they have been entitled to support. Focused on their missions, they did “good works” — they were therefore deserving.

Until recently, not-for-profits have been dependent on key funders — government, corporate, and foundation grants combined with individual donations, fundraising events, and some fee-for-service. These have been the mainstay for most.

In recent years and due to increased competition for dollars, “turf” issues have emerged and many organizations have been less than cooperative with their not-for-profit colleagues. Despite huge waiting lists and an ever-increasing demand for services, defensiveness about duplication of services created additional challenges. There has been an over-riding expectation from many funders that not-for-profits can create miracles on a shoestring and that strong infrastructure is unnecessary.

As a result, most not-for-profits were pushed to believe that current technology was a luxury, that decent office space was only for profit-making ventures, that salaries were supposed to be low, and that one had better not look too slick or funding would be jeopardized. A poverty mentality emerged that reinforced the attitude that not-for-profit organizations were supposed to be grateful for whatever supports were offered, and that they were always there with their hands out.

4.3.2 Strategic Repositioning

As government dollars disappeared and organizations looked for alternate ways to diversify funding, sectoral collaborations became a necessity. For client-focused organizations, the key motivator for service is to help those who need the service. Despite increased competition for dollars and volunteers, community organizations had no choice but to look at how to maximize current resources in order to most effectively address the needs of their clients.

The first rule of fundraising is always: Where can we reduce expenditures without crippling our ability to serve the community? Since budgets were already tight, organizations narrowed missions where possible and negotiated with other organizations to collaborate on ensuring service demands were handled.

To paraphrase Walter Paetkau in his article “Perspectives on Partnership from a Community Social Service Agency,” the realities of cutbacks and downsizing had a collaborative impact within communities. There was increased conversation about building communities through joint ventures, with community members talking more about the notion that community issues and services were everyone’s responsibility.²⁸

Not-for-profits were also learning there were new markets and new tactics for fund development — commercial enterprises, cause marketing, and product and service exchanges with the public and with business. They also learned they had something to sell and began the process of strategic repositioning.

4.3.3 Partnerships and Collaborations

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Not-for-profits rarely think about having brand equity. These are corporate words and are not heard often in the not-for-profit culture. Image-building is not on most board agendas or talked about in staff meetings. However, in looking for new sustainable sources for funding, particularly from the corporate sector, voluntary sector organizations are having to look at themselves in business terms.

²⁸ Paetkau, Walter, 1998. *Perspectives on Partnership from a Community Social Service Agency*. Social Partnership Project, Caledon Institute for Social Policy. Renouf Publishing Company Limited: Ottawa, Ont., p. 24.

They are no longer requesting only charitable dollars, but are increasingly more aware of opportunities to access marketing dollars for a variety of commercial ventures beneficial both to them and their corporate partners. While not-for-profits are not businesses, that does not preclude their behaving in a business-like fashion. As Richard Steckel has been heard to say, “Nonprofit is a tax status, not a management style.”

Effectiveness and efficiency are not words reserved for business. They apply to all three sectors — government, business, and the not-for-profit sector. All three sectors are bombarded with expectations of more accountability, particularly when it comes to social expectations.

As corporate rhetoric is the language of the market place, it seems inevitable that if not-for-profits are going to enter into productive alliances with business they need to learn the language of business. They also need to approach partnerships with a bottom-line mentality and understand where they can add value. Along the way, it will be their responsibility, if indeed the partnerships are mutually beneficial, to teach their corporate partners the language of the not-for-profit sector.

Not-for-profits know the issues of community — they live them daily. For businesses looking for mutually beneficial partnerships, proactive not-for-profit organizations that can align their social cause with business interests will be welcome partners.

The emergence of cross-sectoral partnerships — those outside the more familiar collaborations with like-minded voluntary sector organizations — creates numerous opportunities for not-for-profits to be more entrepreneurial.

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Many are looking for a “quick fix” to the revenue cuts. A longer-term source of the interest in commercial ventures for charities is a belief that freedom from government grants increases an organization’s freedom of choice. It is a search for independence, flexibility and adaptability.²⁹

Whatever the rationale, in order to engage in partnerships with business, whether they be social partnerships or commercial ventures, not-for-profit organizations are faced with the need to

²⁹ Zimmerman, Brenda, and Raymond Dart, 1998. “Charities Doing Commercial Ventures: Societal and Organizational Implications.” Trillium Foundation and Canadian Policy Research Networks Inc., Executive Summary, p. v.

build organizational capacity in order to address the requirements of a far more sophisticated relationship with business. In the resource mentioned above, the authors note that:

The role of an entrepreneur in a charity requires the existence of a special ambidextrous person who can maintain focus on twin logics of mission and commerce.³⁰

The challenge for not-for-profits that choose to operate as social entrepreneurs will be to continue to work for the common good while balancing the need to create profit-focused ventures.

4.3.4 Not-for-Profit Social Responsibility

In many opinion polls, it is evident that business does not maintain the level of community trust that not-for-profit organizations do, and government even less so. With the social safety net high on the minds of most Canadians, it should be no surprise that both business and government are searching for new opportunities to engage with the not-for-profit sector.

As all three sectors begin to realize their collective responsibilities for the well-being of community, increased dialogue about the need for joint problem-solving is emerging as a key priority. Hopefully, it will become the norm rather than the exception.

The not-for-profit sector is well-positioned to add value to business and government initiatives to positively impact community — to tackle broad social issues rather than narrow organizational issues. The sector is not exempt from the need to deal with systemic change and many sectoral and cross-sectoral collaborations are emerging with much broader agendas. While this is a relatively new phenomenon, the not-for-profit sector is gradually becoming more action-focused in ensuring that it has a place at the table in determining public policy decisions that impact human services in this country.

³⁰ *Ibid.*, p. 22.

4.3.5 Not-for-Profit Citizenship

The not-for-profit sector has forever been focused on and committed to the need for volunteers to deliver services. When government initially began the process of fiscal restraint and budget cutting, the vision of community rising up to fill the void was the prevalent expectation. Not-for-profits everywhere were heard to say, “Where is this community? Who is this community? What does this mean, more volunteers? More generous contributors? Are we supposed to have them freeze-dried in the back room?”

Over the last few years, a whole new vocabulary has emerged — civil society, social capital, community capital, sustainable social policy, asset-based community development. Whatever the words and the definitions, there is an increased focus and awareness of the need to build community — to increase our capacity to truly understand citizenship and to have a hand in reshaping society.

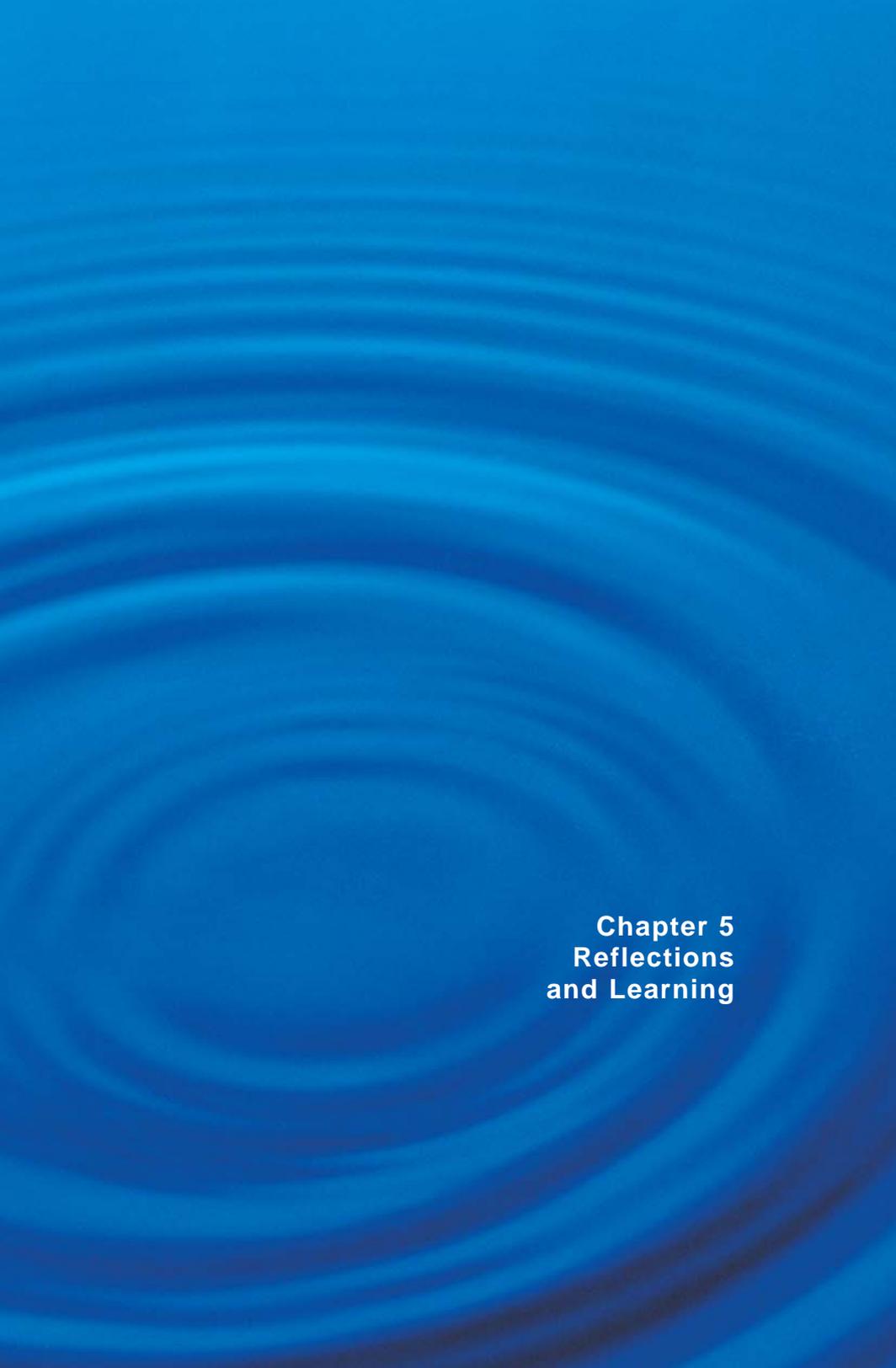
All sectors, including government, business, labour, education, foundations and social agencies, must take responsibility for tackling economic, social and environmental issues.³¹

Along with this realization — that the not-for-profit sector is one of the key players in this evolving definition of community — there is a growing realization in the sector that new expectations require a new level of leadership. As with business and government, there is increased expectation that not-for-profit organizations will aspire to best practice regarding social, environmental, and ethical responsibilities — that they will adhere to established standards of accountability and that organizational issues will not take precedent over larger social issues.

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To that end and in the larger context, building community capacity and promoting civil society involves a new understanding and appreciation for the responsibilities inherent in not-for-profit citizenship.

³¹ Torjman, Sherri, 1997. “Civil Society: Reclaiming our Humanity.” Caledon Institute of Social Policy, p. 3.

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Chapter 5
Reflections
and Learning

Reflections and Learnings

5.1 Introduction

As with any research, whether academic or done, like mine, from a practitioner's point of view, the more I read and talked with people, and the more dialogue I had with both not-for-profits and companies about partnerships, the more questions I had.

While I have lots of opinions about what could be, should be, or might be, I didn't find answers to many of the questions. Most require substantial debate and even then I'm not sure we'd reach consensus on many of them. Pick any one of the points below and bring it out in a room with either not-for-profit or corporate colleagues or better yet, a combination of both, and see what happens. If you do this, you will have some sense of the great gift I've had this year, for I've had the opportunity to debate all of them at one time or another.

I've tried to note the key questions that came up over and over again. I have included comments from interviewees much wiser than I. I've noted a few resources shared with me during the year that I have used and found helpful.

5.2 What is a Partnership?

So what is a partnership anyway? There are as many opinions on that topic as there are people. In “Perspectives on Partnership,” the Caledon Institute of Social Policy says:

Partnerships are strategic alliances, which involve a sharing of resources and responsibility to achieve a common objective.³²

- A colleague in the not-for-profit sector recently told me he had received in the mail a \$1,000 unsolicited cheque. While delighted with the cheque, he was disturbed by the attached letter, which complimented the organization for its good works and announced how delighted the company was to be “partnering” with his organization. Is this a partnership?
- A corporation supporting a new youth program initiative in several very small rural communities terminated all of their “partnerships” in those communities, because the organizations they were working with weren’t positioning them as effectively as they wished.

They believed in the cause absolutely, but were disappointed in the amount of profile they received. Despite giving adequate notice of doing so, unilaterally terminating funding could have put the programs in real jeopardy. Was this a partnership or simply an image-building exercise that didn’t work?

- Do sponsorships that are essentially turnkey projects requiring little involvement of the corporation qualify as partnerships?

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We use the word partnership without much thought, and while a good debate or two on the subject would be fun, I’m not sure getting hung up on semantics or getting caught up in a long discussion about what a “real” partnership might be would prove productive.

A sub-heading in *Creating Effective Partnerships with Business: A Guide for Nonprofits in Canada*, reads “Is Partnership Right For You?”³³

³² Caledon Institute for Social Policy, 1998. *Perspectives on Partnership: Social Partnership Project*. Renouf Publishing Company Limited: Ottawa, Ont., p. 1.

³³ *Creating Effective Partnerships with Business: A Guide for Nonprofits in Canada*. Imagine, a program of the Canadian Centre for Philanthropy: Toronto, p. 24.

What kind of partnership is your organization ready for? Do you want a multi-faceted, high involvement, long-term relationship? Truth told, is it just the money you want — a short but sweet cheque exchange? Probably you stand somewhere in between. Facing the possible pros and cons of different kinds of partnerships is a critical first step in preparing for partnership.

5.3 Partnership Formulas

There are dozens of different formulas for how the private and not-for-profit sectors interact. Many companies are focusing their dollars in areas their stakeholders deem important. They watch for proposals that fit their criteria, write the cheque, and wait for the report.

Others are looking for creative ways to provide more than dollars — involving their employees and sharing intellectual capital. Some are actively looking for ways to engage other departments, suppliers, and customers in supporting the cause of choice and are working toward a more integrated company approach to building community capacity to deal with critical social issues.

Still others are working in collaboration with the not-for-profit community to develop new and innovative change strategies that require some risk and, frequently, a lot of time.

Whatever the parameters of the “relationship,” if the return on investment for the not-for-profit organization, the corporate partner, and the community is a social return, then I believe we should celebrate.

On the other hand, is philanthropy, in its true sense, going to be in the corporate vocabulary 10 years from now, or is strategic giving going to evolve into just another marketing exercise? Should we be concerned?

There are already blurring lines between sponsorship dollars that come from marketing and special events budgets and those that come from budgets allocated for charitable purposes. How does a corporation decide from which budget to take the dollars? Are those budgets, particularly the charitable budgets, going to shrink if the perceived return on investment is low?

Does it really matter which budget the monies come from if they enrich and strengthen community while satisfying a particular business objective? On the other hand, if community partnerships suddenly become just another business deal, a way to sell product or fulfil a self-serving business interest, with no real commitment to the social return, will “vulgar” philanthropy become commonplace?

Of the 11 case studies I researched, very few of the key partnerships were initiated by the not-for-profit partner(s). Does this mean the not-for-profit community is not creative enough to design community investment properties that appeal? If big business is moving toward supporting causes rather than organizations or particular programs, are not-for-profits willing to proactively collaborate with other like-minded organizations — locally, regionally, and nationally — to put joint partnership approaches together? Most of us don’t have regional or national umbrella organizations to help coordinate those efforts, even if we had the will. Where do we find the time and money to strategically interact at those levels when many of us barely have the infrastructure resources necessary to fulfill our current missions?

If a corporation initiates a new strategy that has potential to really impact the community, does it matter who created the idea, so long as it promises to deal positively with serious social problems? In a number of the case studies I wrote about — Canadian Pacific Hotels, Telemedia Communications, the Insurance Corporation of British Columbia, TELUS, and Glaxo Wellcome — the major partnership initiatives were initiated by the corporations, are substantial in scope, and are targeted at strengthening community capacity in a broader context.

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There is often a down side to any trend. The not-for-profit sector is extremely diverse, with more than 50 per cent of all registered charities having budgets of less than \$50,000. This raises a question about which not-for-profits corporations will partner with. Are we moving to elite organizations and elite causes — those well-known and well-respected in the community — at the expense of smaller, grassroots organizations and causes?

Do not-for-profit organizations having the resources to hire business and fund development expertise to develop the solid marketing case or the proposal that impacts the corporate bottom line have an advantage at the expense of those who don’t? One just has to look at the size and scope of university and hospital campaigns over

the last five years to wonder how smaller community-based organizations can compete. Government moving into the sponsorship market adds a further complication.

In addition, as companies strategize how best to focus their community investment and/or charitable dollars to align with business interests and larger initiatives, are they doing so in a way that allows for balance in their portfolios? If long-term partnerships and multi-year commitments become the prevalent model, is there money budgeted for emerging issues and smaller, more traditional philanthropic initiatives that while not big in scope, are still big in “heart”?

5.4 Organizational Commitment

Organizational commitment was identified as a growing issue for both not-for-profit fund development staff and their corporate partners. Obtaining funding is one thing — delivering on promises made is another.

Several fund development professionals with whom I spoke in the course of my research expressed frustration with their organizations. Once the money is in the bank, who is ultimately accountable to further develop the partnership and deliver on the sponsorship or partnership promises — particularly if they are program-focused?

Representatives from two major corporations told me they are considering inserting “notwithstanding” clauses in their funding agreements as their multi-year commitments require reports within well-documented time lines. Surprisingly, a full 50 per cent of the not-for-profit organizations they fund do not follow through. Another company said that of more than 300 donations of product, they received only 13 thank-you letters.

Guy Mallabone, the director of development at the University of Alberta, assigns account managers to every donor account. He says he believes that relationship building at both the front and back ends of any partnership initiative is critical. Fund development staff or volunteers must be as diligent in effective stewardship as they are in

cultivating the initial relationship and preparing for “the ask.”

While some not-for-profits might immediately say, “That’s great advice if you have the staff resources to have account managers,” the point that Mallabone makes is applicable to all not-for-profit organizations. Account managers can be program staff, board members, fundraising volunteers already in place or volunteers recruited primarily to act as account managers. If not-for-profit organizations are going to truly build longer-term relationships with corporate funders, particularly if the desire is to move beyond the cheque, accountability for deliverables is a critical element in nurturing the relationship.

On the corporate side, not-for-profits said that despite excellent programs and solid relationships with community relations staff, if that staff person changes, or a new CEO is hired, or a downsizing or merger occurs, partnerships can change overnight. Looking at the 11 case studies prepared for this thesis, in slightly more than a year:

- Chevron has downsized;
- Flint has been purchased and is being merged with a group of companies;
- Husky Injection has gone public;
- TELUS and BC Telecom have merged; and
- Canadian Airlines is struggling to deal with huge deficits.

As people and corporate cultures change, how does anyone ensure that promises made are honoured, particularly if programs being funded are vulnerable should the partnership be terminated?

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More and more, both partners are choosing to document commitments in letters of agreement or memorandums of understanding that reflect the mutual understanding of both parties. While these documents may not be legally binding, they do get expectations on the table and, if done well, ensure that roles and responsibilities are defined, deliverables are written and notice of termination is specified. When shared by both the corporation and the

not-for-profit, they are important tools for defining organizational commitment for all involved.

5.5 Policy Development

In addition to partnership agreements, many companies and not-for-profit organizations are trying to embed their partnership practices through policy development. For the corporation, published guidelines and criteria for community investment applications, social vision statements, and human resource policies that encourage and enable workplace volunteerism are all key.

Increasingly, large Canadian companies like TELUS, the Royal Bank, Suncor, Imperial Oil, and Canadian Pacific have established foundations, with a view to ensuring that their strategic philanthropy programs are in place for the long term, with formulas for stable funding and strong corporate commitment.

For the not-for-profit, policies need to be approved by boards of directors regarding the kinds of companies with which the organization will partner, ethical fundraising practices, and donor accountability. Some questions that should be addressed are:

- Does the person within the organization responsible for fund development belong to the National Society of Fundraising Executives? Minimally, if the organization can't afford to belong, is it aware of the code of conduct expected of fund development staff?
- Is the Board of Directors aware of and prepared to adopt the Ethical Fundraising and Financial Accountability Code developed by the Canadian Centre for Philanthropy? The code can be accessed through Internet at www.ccp.ca or can be obtained from the Centre for Philanthropy at 1-800-263-1178.
- If cause marketing is a partnership option has the Board developed policies on product endorsement, whether that product endorsement is real or perceived? Could association with a particular product damage the organization's credibility with clients or the public at large?

- Another topic that requires debate and resolution is the issue of exclusivity. Will the organization enter into exclusive partnerships and if so, under what conditions?
- If a potential partner wants to brand the program the not-for-profit is trying to fund, what are the pros and cons? Is the organization prepared to negotiate? Has it determined how it might handle such a situation should it arise?

Bob Vokey, program director of the McConnell Family Foundation, says he believes that not-for-profits need to protect their brand equity as strongly as corporations do.

Do most not-for-profits understand brand equity and the policies and practices that need to be in place to ensure that their good name and their reputations are not compromised? Many of these policy decisions need to be debated and resolved.

5.6 Choosing Partners

The first rule of any partnership is: “Find the Right Partner.” Do we choose our partners well? Over the past year, I read about and heard from not-for-profits and corporations about partnerships that had ended badly. In many cases, this occurred because the relationships were built with individuals in the corporation or the not-for-profit and when staff changed so did the dedication to the cause and/or to the previously agreed-upon expectations.

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Several partnerships ended because the not-for-profit simply didn’t do what they said they would. A few ended because of exclusivity arrangements that were in the long term not good for the not-for-profit partner, particularly when the partner corporation diversified holdings and the expectation of the exclusivity arrangement extended to subsidiary companies. Others were eliminated because the partnership agreement was too one-sided, when the not-for-profit realized that the company’s expectations were not clearly articulated at the front end, and expected deliverables did not match the resources provided. In most of these instances, the need for corporate recognition and impact evaluation — without additional dollars dedicated to either — were the most frequently cited reasons

for the dissolution of the alliance.

The most serious partnership terminations occur when the values of the not-for-profit don't match the business practices of the company. It's important for not-for-profits to check out potential partners before approaching them. EthicScan Canada, authors of "Shopping with a Conscience," is Canada's oldest and largest corporate social responsibility research firm. For a small fee, EthicScan can provide a "snapshot" of a company and its business practices. Do organizations ask? Some do, but EthicScan staff say corporations are more likely to phone about not-for-profits than the other way around.

Corporations are quick to say in conversation that most of the proposals that hit their desks are less than wonderful. What are they doing to change that, other than saying no? Are they publishing their guidelines and policies to better help not-for-profits in their search for partners and strategic alliances? Are they initiating or funding training events that teach skills needed to develop the kinds of proposals they would like to see? Are those focusing on a national or regional issue proactively convening those organizations working in that particular issue area to help them develop strategies for change, rather than working in isolation from each other?

On the other side, are not-for-profits seeking new knowledge and awareness about what they have to do to "play in a new ballpark"? Are they engaging those who understand the new realities — perhaps top-notch volunteers who understand the business community — to help them change how they interact with and approach companies for support? Do they understand how to add value by creating win-win alliances?

5.6.1 Size of Companies

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Are most not-for-profits focusing their attention on the majors — large local, national, and multi-national companies — and not pursuing middle-sized and small firms to support partnership opportunities? In the July, 1998 issue of "Front and Centre," a newsletter published by the Canadian Centre for Philanthropy, Hazel Gillespie, national investment manager with Petro-Canada, expressed "concern that the greatest potential for community investment growth lies not with the major corporations," which she says have become an all too convenient "first thought" for charities, "but with the smaller companies that have

Figure 5 — Partnership — An Intesection of Interests



not yet jumped onto the philanthropic bandwagon.”

It is much easier, I believe, for a not-for-profit to research the interests of larger businesses, since most can provide published criteria and have staff dedicated to community investment functions. As most small and mid-size companies do not have staff dedicated to these functions, unless there’s an obvious and natural alignment of interests, it’s much more difficult to determine what might inspire a partnership initiative, whether it be long or short term.

5.6.2 Determining the Best Company to Approach

Potential right partners — big, mid-size, or small — exist for everyone. For not-for-profits seeking partners, some are easy to target: for example, the local dry-cleaning business that cleans clothing for a program aimed at gathering used winter coats for kids, or a toy store that supplies a not-for-profit daycare with dated merchandise. Others are not so easy. How do not-for-profits determine who best to approach?

As noted in Figure 5, all not-for-profits and corporations have key stakeholders: employees, customers/clients, regulators, shareholders/donors, and the community at large. If there is an intersection of stakeholder and community interests for both the not-for-profit and the business, there exists good potential for a partnership. For example:

- Does the cause impact the company’s employees or customers or both? Avon’s support of breast cancer research is a good example of a partnership developed to address a key concern of both the company’s employees and their customer group, both primarily women.
- Does the company have a particular audience they want to reach? Kodak Canada supports “Parenting for Life,” a not-for-profit public education program focused on promoting positive parenting skills and community support for families. “Kodak Moments” are often those that involve families, and it makes good corporate sense for Kodak to align their dollars and expertise with a program that is committed to mobilizing and supporting parents by helping develop enhanced parenting skills.
- Does the company have particular expertise that could be useful

to a partnering not-for-profit? Zenger-Millar Canada's Toronto office has made a long-term commitment to Halton Women's Place to provide business training for strategic organizational improvement services. Zenger-Millar is an international consulting and business training firm, and Halton Women's Place provides shelter services for abused women and children.

- Does the company have a well-known interest or focus area? Imperial Oil has, for several years, dedicated about two-thirds of their foundation funding to programs that enrich the lives of children. Through their "Esso Kids Program," the company has partnered with a wide variety of not-for-profit organizations in sports, education, health, and culture.

The company believes that the long-term prosperity of the company is dependent on a "healthy, prospering community" and that children are "Canada's greatest natural resource."³⁴

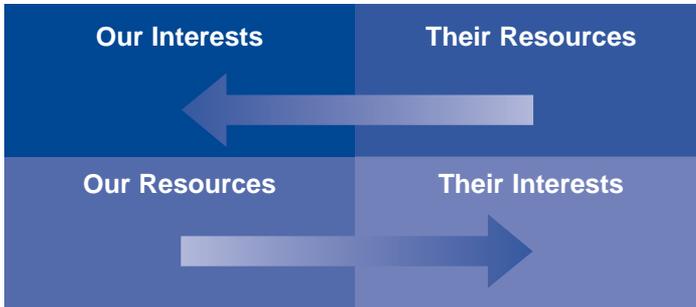
For organizations with a focus on children in a community where Imperial Oil has a presence, the company is a natural to approach.

- Does the company support business initiatives that align with long-term business goals? Many of the banks, and in particular CIBC and the Royal Bank, have declared an interest in economic development programs that encourage youth employment and small business development initiatives.
- Does the company have a product or service that would be of use to a community cause? Windfall Clothing Services in Toronto has an annual budget of less than \$80,000. The company collects new surplus clothing from more than 60 manufacturers, designers, and retail outlets in the clothing industry and distributes it to more than 70 social service agencies in the Metro Toronto area.

Their service helps the clothing industry dispose of its surplus goods in an environmentally and socially responsible way. Several companies involved in supplying merchandise also leverage support from other colleagues in the business and transport goods

³⁴ Imperial Oil Charitable Foundation, 1996. "A Tradition of Giving."

Figure 6 — Potential Partners



free of charge.

Figure 6, a resource shared with me by the United Way of Calgary and Area, may prove helpful in identifying and securing potential partners. Once either party determines key areas of interest and identifies what resources they are able bring to the table to impact that particular area of interest, targeting a likely partner is a little easier. The exercise is definitely a first step to building the case for a partnership.

Needless to say, the search for partners requires research, a good business case for why the partnership is beneficial for both parties, and a great idea.

5.7 Saying “No”

When does a corporation ask too much and when does a not-for-profit say no? The most frequent questions I encountered were:

- Are not-for-profit organizations prepared to share membership, donor, employee, and/or volunteer lists in return for a cause marketing campaign? Might this lead to a situation that will alienate both donors and clients?
- If extensive outcome measures or image-building through communication materials and media are expected, is the not-for-profit prepared to negotiate additional resources or, if need be,

walk away from the proposed partnership?

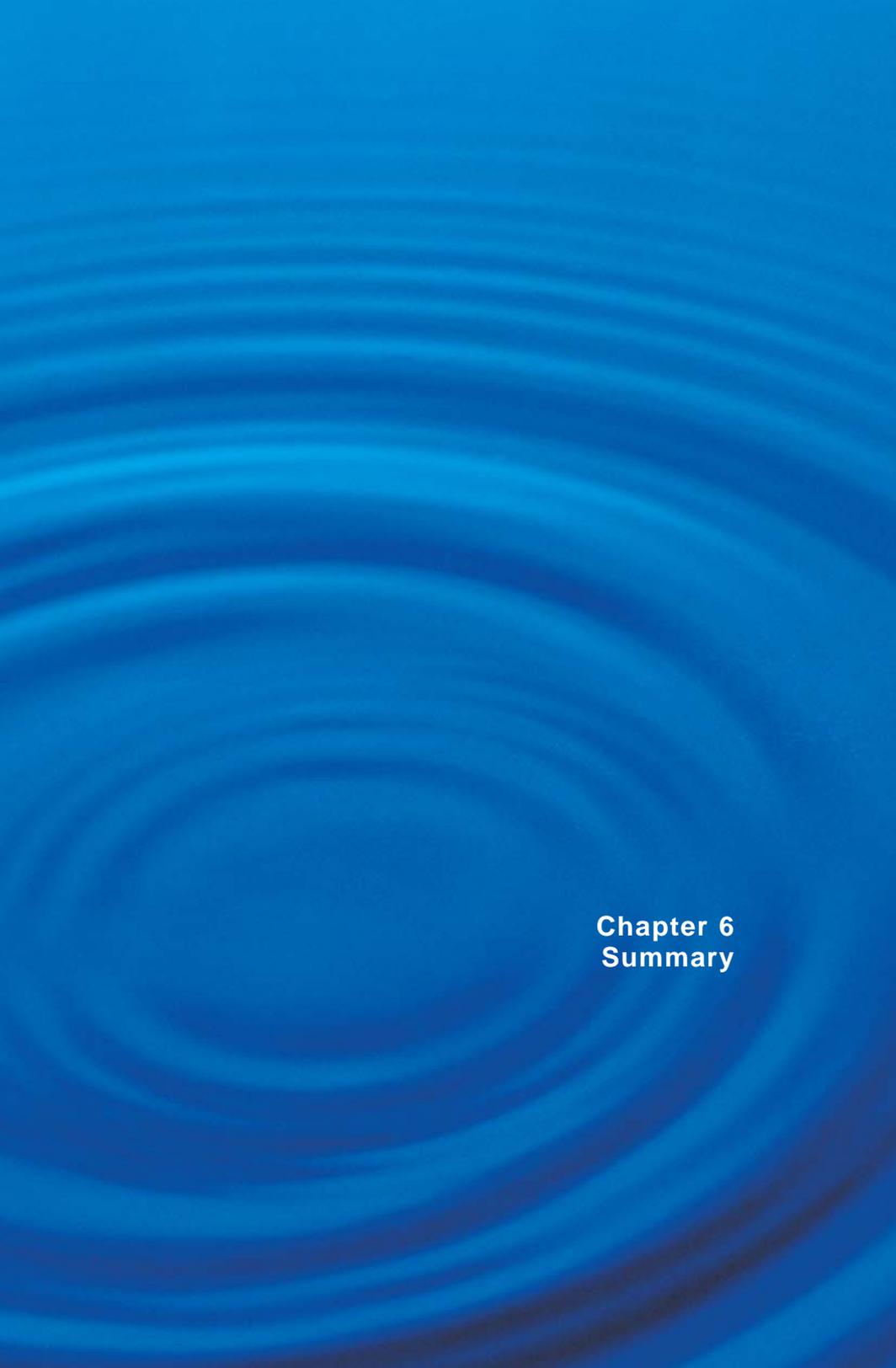
- If the values of the organization don't match the values of the business partner or *vice versa*, and have the potential of compromising either organization, should there even be a partnership discussion or agreement?
- If the partnership takes a great deal of time with little or no real return on investment for either partner, why bother?

Not-for-profits particularly need to learn to how to say no to surplus or used materials of no value to them. Frequently over the last year, I heard not-for-profits agonizing over how to say no to technology gifts that were obsolete, to used office equipment that was broken and unusable, to office materials that they were offered and accepted and then, at their own expense, disposed of. Not-for-profits will never get past that poverty mentality if they don't learn how to graciously say "no" without fear of being reminded that they should be grateful for whatever is offered.

Corporations need to say no to not-for-profit organizations that don't deliver on promises, and they need to be up-front about doing so. It may seem like heresy to say so, but if not-for-profits are to behave in more "business-like ways," they have to advocate for professionalism in all aspects of their organizations. Not delivering on promises made, without good cause, is definitely not "business-like."

A key complaint I heard from both business and their not-for-profit partners was that not-for-profits don't "speak the same language." Do they have to? Can't each learn the other's language without compromising either partner's values? So you say "profit" and I say "surplus"; you say "customer" and I say "client"; you say "products" and I say "programs"; you say "bottom-line thinking" and I say "top-line thinking." Good cross-cultural communication could probably benefit both sectors.

When companies and not-for-profits reach a mutual level of understanding and respect for the communication nuances of each partner, corporate partners will be asking not-for-profits for their business plans and reciprocating by giving not-for-profits their social plans.

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**Chapter 6
Summary**

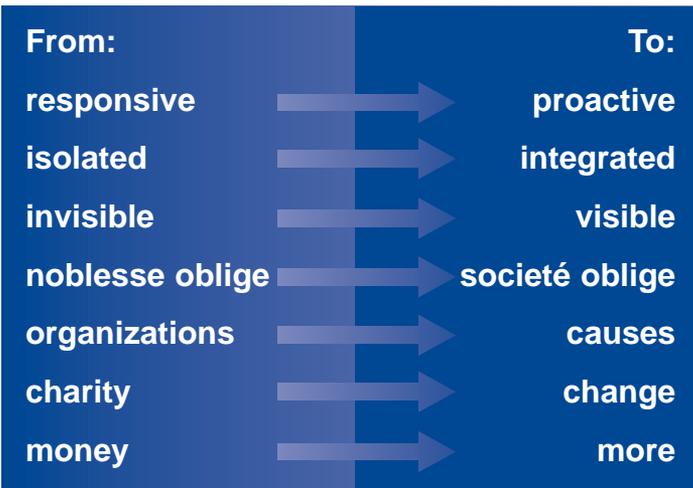
Summary

6.1 Introduction

The chart in Figure 7 was developed by Eric Young, of Eric Young Enterprises, a Social Marketing firm in Toronto. It provides an excellent tool for summarizing what is happening with respect to the new and constantly evolving change in the relationships between business and the not-for-profit sector. In a 1996 speech, Young said:

We are living in a time of immense transformation — a time of rethinking, reengineering, reorganizing and reconnecting. You don't have to be a guru to see this — in fact, you barely have to be awake. This much is clear. The social agenda is the big leagues now. This is the real business of the 90s — not just making stuff, but making a difference.³⁵

Figure 7 — Summary



³⁵ Young, Eric, 1996. "Building Trust." Speech given to the Credit Union Central of Canada, Sept. 9, St. John's, Nfld., p. 2.

The change in relationships between corporations and not-for-profits is multi-faceted, and can be observed from many perspectives.

6.2 Responsive to Proactive

Corporations in Canada, particularly larger companies, are moving away from responding to requests for support to being proactive in searching out strategic alliances in the not-for-profit community that complement business interests and have the potential to have substantial impact on critical social issues.

Many not-for-profits are moving from being reactive to funding cuts to proactively diversifying their funding base through both charitable and commercial alliances with business. New initiatives offer them an opportunity for increased independence and adaptability in their efforts to have substantial and sustainable impact on critical social issues.

6.3 Isolated to Integrated

Corporate charitable activity has, up until fairly recently, been isolated — a nice thing to do, but not integrated with other business functions. Companies that have moved to strategic giving practices are connecting to various other operational units such as marketing, environmental affairs, or human resources, to both leverage new resources and integrate value-added strategies that support business objectives.

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Not-for-profit organizations are also creating new synergies among different areas of their organizations. As employee volunteerism becomes more prevalent, executive directors, fund development and program staff and volunteer managers are together finding new ways to develop corporate approaches that integrate financial as well as human resource needs.

Connecting the skills and expertise of employee groups to community needs add value for the corporation and the not-for-profit. As relationships with the business community become more complex, organizational commitment to identified deliverables is increasingly more important.

6.4 Invisible to Visible

Quiet philanthropy, that is, the invisible corporate donor, is no longer the goal for most corporations. A study reported by *Imagine* states:

... most Canadians (62 per cent) believe that corporations should advertise their charitable giving. A majority (53 per cent) say businesses don't get enough credit for their charitable work.³⁶

Canadian companies are budgeting communications dollars to:

- promote their activities;
- publish community investment criteria;
- initiate and sustain social marketing programs; and
- to create dedicated publications that tell their community investment stories.

Not-for-profits are benefiting from these communications strategies through enhanced public profile for their organizations, their causes, and partnership programs in which they are involved.

6.5 Noblesse Oblige to Societe Oblige

Corporate philanthropy has in the past been regarded as “noblesse oblige” — a noble aspiration for the “haves” in society to give a helping hand to the “have nots.”

Today's society has growing expectations of business, and “société oblige” is replacing “noblesse oblige.” I read somewhere that if one were to draw up a list of the largest economies of the world, the majority of them would be corporations. Think about that. It's mind boggling to think that there are companies — and a lot of them — bigger and more affluent than most of the world's countries. With that power comes an expectation that companies will behave in responsible ways. This is reflected in a quote from a 1997 MBA paper:

³⁶ “New Directions,” 1998. Published by *Imagine*, an initiative of the Canadian Centre for Philanthropy. Vol. 4, No. 3, Oct. 10.

The nature of community involvement has changed dramatically over the past century as a result of economic pressures from the marketplace and social pressures from the public.³⁷

The thought is repeated in a publication of the Hitachi Foundation:

At a very basic level, corporations are granted legal status as entities in their own right, separate from their owners. "Citizenship," the act of assuming duties to the community in addition to providing quality products or services by a company, implies that even as a separate legal entity, the corporation nevertheless has responsibilities not unlike those of individual citizens.³⁸

Today's customers are interested in more than the price of the product. Internal and external ethical business practices, as well as support for the communities where companies operate, are key expectations. In an Angus Reid opinion poll conducted in Canada in December, 1998, 62 per cent of survey respondents said they believed corporations should be contributing to society through donations, as well as earning dollars for shareholders.

There has also been growing pressure from the community for not-for-profits to be more accountable for how they spend donor monies and for what they accomplish with those dollars. While surveys indicate that Canadians generally have positive opinions about charities and that not-for-profits enjoy a high level of trust, effective stewardship and demonstrating effectiveness are both issues for the sector.

Ensuring ethical fundraising practices, responsible governance, and "doing good in a good way"³⁹ are consistently identified as key expectations of the public at large.

³⁷ Urban, Danielle, 1997. "The Co-Evolution of Business and Community: Trends in U.S. Corporate Community Relations." Winner (1997) of the Best MBA Paper competition, Boston College Centre for Corporate Community Relations, p.1.

³⁸ Marsden, Chris, 1997. Foreword to *Global Corporate Citizenship: Rationale and Strategies*, by David Logan, Delwin Roy and Laurie Regelbrugge. The Hitachi Foundation: Washington, D.C., p.1.

³⁹ Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector, 1999. Panel on Accountability and Governance in the Voluntary Sector. The Voluntary Sector Roundtable, February, p. 36.

The public is demanding that in return for the tax and other advantages it enjoys, all aspects of a charity's existence — from its fundamental mission to its operational efficiency, how it treats its employees and the routes it takes to achieve its goals — be subject to intense and continual scrutiny.

Volunteers and donors, members and staff, clients and partners, governments and the general public all want to know that these organizations are responsive to clients, well and ethically managed and accountable.⁴⁰

6.6 Organizations to Causes

As mentioned numerous times in this document, corporations are increasingly less interested in supporting organizations and more interested in supporting causes like hunger, homelessness, literacy, or economic and community development. Many are consciously and strategically aligning their identities with an issue, encouraging their employees to get involved, providing technological and communications expertise and as Craig Smith wrote in the Harvard Business Review, are “backing philanthropic initiatives with real muscle.”⁴¹

Corporations are applying a more holistic approach to how they relate to community, and are entering into partnerships intent on complementing business interests, leveraging resources beyond the cheque book and aiming at longer-term initiatives focused on solutions rather than “band-aids.” In some cases, where exclusivity is a primary goal or where there is no charity in place that quite fits their area of interest, corporations are inventing charities of their own.

Not-for-profit organizations are more frequently collaborating with other community organizations that offer related services. Like their corporate partners, they are taking a more strategic approach to addressing immediate client needs while seeking new and longer-term solutions to very difficult social problems. Some are also becoming much more astute about how to develop investment opportunities for corporations interested in longer-term versus immediate needs.

⁴⁰ Accountability: The New Hot Issue for Nonprofits, 1998. Originally in *Canadian Fundraiser*, March 25. Archived at www.charityvillage.com, p.2.

⁴¹ Smith, Craig, 1994. “The New Corporate Philanthropy.” *Harvard Business Review*, May-June, p.105.

6.7 Charity to Change

There has been a fundamental shift from corporations regarding their philanthropic activities as “fringe activities.” In trying to adapt to new realities, some corporations are becoming social activists, using techniques and strategies such as social marketing and cause marketing initiatives to impact long-term social change objectives.

Several companies featured as case studies in this document have embarked on major social marketing initiatives — for example, the Insurance Corporation of British Columbia (road safety) and Glaxo Wellcome (hospice palliative care). While their causes are distinctly different, both corporations are determined over the long term to commit significant resources to changing both behaviour and public policy around the causes they support. Darlene Hyde of the Insurance Corporation of British Columbia says, it’s “Go big or go home.”

Avon, through its cause marketing campaign and subsequent involvement with breast cancer organizations in Canada, has helped leverage large government grants for breast cancer research and has consistently promoted the need for increased education about the disease.

These are just a few stories about the new realities of corporate social investment activity. The corporation in this new paradigm wants to fund solutions, not services and needs. It is increasingly more likely to make decisions based on an investment model for the future rather than the more traditional “we gave to them last year.”

David Stewart-Patterson, a senior associate with the Business Council on National Issues writes:

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Corporate funders want to know not just that the projects they fund will make a difference in people’s lives, but that these projects will do so more effectively than available alternatives.

He continues:

In short, the more that non-profit agencies look to corporations for funding, the more they themselves will be required to think and behave entrepreneurially.⁴²

⁴² Stewart-Patterson, David, 1998. *Perspectives on Partnership*. Social Partnership Project, Caledon Institute for Social Policy. Renouf Publishing Company Limited: Ottawa, p. 36.

Additionally, as not-for-profits broaden their horizons, become less reliant on government funding and more independent, they are also becoming much more proactive in positioning themselves at government policy tables as advocates and spokespersons for those who cannot speak for themselves, and for infrastructure that will strengthen their ability to more effectively do the work they need to do to build community capacity.

6.8 Money to “More”

Corporations are offering “more” — augmenting cash with managerial advice, access to expertise (*e.g.*; the company’s technology wizard or the marketing guru), groups of employees, access to space and products, and strategies to engage customers and suppliers in supporting their cause of choice. More strategic outcomes are expected, and

...philanthropic and business units have joined forces to develop giving strategies that increase their name recognition among consumers, boost employee productivity, reduce R&D costs, overcome regulatory obstacles and foster synergy among business units.⁴³

More accountability has resulted in measurement and evaluation tools being the hot item of discussion in Corporate Relations professional networking groups all across the country. Consumers and employees who want to know what corporations are doing to benefit society want more communication. They want companies to tell the world loud and clear what they’re doing in the social context, and that includes their community activities as well as accounts of how they treat their employees and handle environmental issues. More commitment, more dedicated resources, more collaborations, and more partnerships — all of these have potential to improve the health of communities everywhere and ultimately ensure the economic success of the corporate sector.

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⁴³ Smith, Craig, 1994. “The New Corporate Philanthropy.” *Harvard Business Review*, May-June, p. 105.

Not-for-profits would say that more is good, but they still need real dollars. All of the extras — expertise, employee volunteers, and gifts-in-kind — do not pay the salaries of the skilled professionals needed for dealing with ever more complex social problems and for increased service demands. However, the opportunity to dream bigger dreams — to work with business partners in a consultative, collaborative way; to find more ways to generate cash resources that are sustainable; to actually hope for more opportunities to work on systemic change that could impact the well-being of community over the long term — those are definitely “mores” that astute not-for-profits will embrace.

6.9 Closing Thoughts

One of the very best books I read during this past year was *Built to Last: Successful Habits of Visionary Companies* by James C. Collins and Jerry I. Porras. The authors say that to build enduring, great companies — a concept that can be applied to any organization and even communities — organizations must be “clock builders not time tellers.”

Throughout the book, Collins and Porras refer to the idea that people often get stuck in the “tyranny of the or” — all the “yeah, buts.” The public and the not-for-profit sector can criticize companies for not doing enough — for not caring, for always focusing on the bottom line. “Yeah, but” we could give our heads a shake and engage companies in different ways — ways good for community **and** for the bottom line.

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The corporate sector can continue forever believing that the not-for-profit sector is unorganized and unbusiness-like. “Yeah, but” they could find ways to really test that assumption, build capacity where its needed, and could learn to understand that a social agenda is quite different from a “walk the money to the bank” agenda.

Companies and not-for-profits can spend days and weeks and years complaining about each other and doing nothing or they can embrace the “genius of the and.” Corporations can do well **and** do good. Not-for-profits can do good **and** do well. Corporations can have high ideals **and** pragmatic self-interest. Not-for-profit organizations can partner with business **and** protect core ideologies. Both can be focused on mission **and** look for ways to experiment and take risks. Both can find ways to deal with the issues of the day **and** invest in the community they desire for the future.

In closing, I offer a powerful quote from Frances Hesselbein that eloquently summarizes the very heart of all I have discovered:

We need to remember that we can do little alone and yet much together. To be effective, leaders must look beyond the walls of the corporation, the university, the hospital, the agency — and build a cohesive community that embraces all its people — knowing there is no hope for a productive enterprise within the walls of a community if the community outside the walls cannot provide the healthy, energetic workforce that is essential in a competitive world.⁴⁴

⁴⁴ Hesselbein, Frances, 1997. “Leader to Leader.” A publication of the Drucker Foundation and Jossey-Bass, Inc.: San Francisco.

**Appendix A:
Details of
Case Studies**

Chevron Canada Resources

A1.1 Company Profile

Chevron Canada Resources (CCR or Chevron) is a senior producer and marketer of crude oil, natural gas, and natural gas liquids. It is a subsidiary of Chevron Corporation whose predecessor, Standard Oil Company of California, established operations in Alberta in 1938.

CCR employs approximately 800 people. Of these, about 400 work in producing field locations in Alberta, Saskatchewan, and Manitoba. The remainder work at the company's head office in Calgary.

Chevron does not sell products, such as gasoline, to the public in Alberta, Saskatchewan, or Manitoba.

The vision of Chevron Canada Resources is: *Building our company by turning opportunities into long term growth and value and achieving top performance in North America.*

The company's mission is: *We deliver superior value for Chevron Corporation, our customers and our partners by adding, developing, processing and marketing our oil and gas products and services.*

A-1

The company's value statement is: *We live by the Chevron Way.* The Chevron Way espouses an approach to business based on:

- Committed Team Values
- Total Quality Management
- Protecting People and the Environment.

A1.2 Background

As long as Chevron has been in business, it has been a generous supporter of the communities in which it has worked. Up until 1994, the company scattered its charitable donations among a wide variety of not-for-profit organizations. Approximately 3,000 grant requests were received every year — about 1,000 of those would each be given grants of \$1,000 or less. Financial contributions to community activities were reactive. They required a high level of administration, had little or no impact, and were definitely philanthropic rather than strategic. Employees demonstrated little understanding of Chevron's donation practices and were essentially not involved in the process.

Neither the company nor its Community Affairs group had yet developed formalized vision or mission statements.

As Chevron, like many North American companies in the late 1980s and early 1990s, embraced Total Quality Management initiatives, all of its departments were encouraged to assess work processes. The key questions were: “Why are we doing what we do?” and “What value does it bring us?”

In 1994, Chevron's Community Affairs group formed a cross-functional team to analyze the company's community affairs role and to define a process aimed at making those activities more strategic and business oriented.

A-2

For Chevron, the partnership approach resulting from the implementation of this strategic process has totally changed how the company directs and manages its charitable investments. Every project is now viewed as an opportunity to think and plan in alignment with overall company objectives, and to leverage resources other than money — for example, employee volunteerism or gift-in-kind donations — with business, not-for-profit, and media partners. The search for creative ideas that will complement business interests while maximizing community support is now the rule rather than the exception.

Chevron has spent considerable time and effort to promote its Community Affairs strategies throughout the company, and is reaping the benefits of this communication. For example, participation in company volunteer activities fosters camaraderie among employees, and often helps them learn or practice new skills that are relevant to the work place. The company's leadership in

Community Affairs speaks to the importance of community involvement, and employees say they feel pride when they see their company taking a leadership role and actively demonstrating its commitment to its communities.

A1.3 Critical Steps in Program Evolution

Chevron’s new approach to community investment evolved through a series of “critical steps.” These included:

A1.3.1 Positioning and Alignment

Conduct benchmark research

In February, 1995, Chevron conducted surveys in six communities where it had operations. Only 26 per cent of respondents voluntarily mentioned Chevron as a company that was present in their communities, but when specifically asked if Chevron was in their community, 69 per cent said yes.

Of the respondents, 19 per cent volunteered awareness of Chevron sponsored community relations programs, while 29 per cent, when asked the question, said they were aware of these programs. While the survey results indicated that Chevron overall had a strong positive image in terms of good corporate citizenship, it also suggested that people were unable to identify the company’s priority values.

Chevron was perceived as being “all things to all people,” well-known but not known well. Additionally, a very interesting perception emerged. The company was viewed as aloof and detached from community realities because employee involvement in the community was perceived to be low. It was suggested that Chevron itself was the barrier to effective employee community involvement.¹

A-3

¹ Seel, Keith, and Gillian Ramsay, 1996. “Sustainable Social Policy and Community Capital: Session Proceedings, June 18 and 19. Caledon Institute of Social Policy and the Canada Mortgage and Housing Corporation.

Create vision, mission, and value statements for the community affairs function.

Chevron's Community Affairs group developed vision, mission, and values statements aligned to the company's overall business and strategic plans. The Mission Statement is:

Community Affairs designs, implements and administers programs for Chevron that enhances the company's reputation and credibility in its communities.

The vision and values statements further build on Chevron's desire to be a welcome and trusted member of the communities where it has significant interests and operations. These statements focus on:

- linking company values to community values;
- building positive relationships with communities;
- measuring the impact of company community investments; and
- using positive relationships to improve the quality of life in Chevron communities.

Link company values with community values

Focus groups held in the six communities surveyed were asked to identify what they believed were key community priorities. Chevron then linked these responses to its own company interests.

A-4

Identify funding priorities

Before the survey, Chevron's priority areas of giving had focused on:

- arts and culture
- health and human services
- science programs
- the environment.

As a result of the program assessment, Chevron's priority areas with respect to community affairs now focus on:

Core Areas

- environment
- science and technology programs
- employee partner programs.

Non-Core Areas

- health
- arts and culture.

Chevron further focused its community investments by firmly identifying that education would be the primary area of interest in all of the identified priority areas, and that 80 per cent of all community investment dollars would be spent on proactive partnership programs in identified core areas. In addition, an employee volunteer program connecting Chevron employees, the community, and the company would be developed to encourage, enable, and support employees in taking a community leadership role through volunteerism.

In 1997 Chevron reduced its community investments to 15 initiatives, and is now actively involved in solution-based activity. Community Affairs activities are outcome based — activities that make a difference in the community in a very real sense and that have strong, positive impact. Community Affairs Manager Gillian Kinch says:

One of the hardest parts of focusing our investments was learning to say no after funding so many different initiatives. We had to develop a strategy for withdrawing support. What we did was give organizations a year's advance notice of our new priorities and advised everyone of our intention to focus our resources. We were pleasantly surprised by the encouragement and support we received from organizations who had previously received Chevron grants and who would no longer be recipients of such monies.

A-5

Link community investment to operations

Every opportunity is maximized to grow support for community investment strategies, both internally and externally. One example in particular illustrates how such communication efforts can result in adding value by aligning operations functions with community affairs functions:

Win/Win Reclamation. When companies have been granted the right to conduct operations on private land, they are required to return that land to the state it was in when they were given permission.

In 1997, a group of Chevron land representatives working on a reclamation project approached the Community Affairs group about an innovative land reclamation project. The land in question was swampland, and the landowner told Chevron that he wasn't that keen to have it back as such. The owner was an astronomy hobbyist, and he asked if Chevron would help him turning the property into a "dark site" — a place unencumbered by artificial lights, traffic and other hindrances where stargazers can obtain a clear view of the night sky.

Because the land representatives were aware of Chevron's Community Affairs focus, they recognized that this project was viable, and could be valuable from a public relations perspective as well as from an operational one. Chevron agreed, and the project went ahead. Once the site was built, Community Affairs organized an official opening. The win-win impacts of this project — a direct result of good internal communication — were:

- The landowner has been able to make his former swampland into a useful community facility.
- Alberta has an excellent "dark site," which can be used by astronomy hobbyists to pursue their activity.
- The project saved Chevron almost \$100,000 in reclamation costs.
- The project raised Chevron's profile in the community.

A-6

A1.3.2 Decentralization of Community Investment Functions

Chevron uses two primary strategies to create employee awareness and involvement in the company's Community Investment program.

Development of a Community Investment Reference Manual

Chevron developed this manual, an employee resource that defines the company's community investment philosophy as a combination of social responsibility and strategic business planning.

The manual is intended to communicate Chevron's community affairs vision and assist employee teams in making strategic community investments that serve both the community and the company.

The manual explains:

- that Chevron desires well-considered investments that will bring the company into contact with communities on a personal level; and
- that to achieve this, Chevron will make people, as well as funds, available for worthwhile community projects.

The manual focuses on strategic program selection, planning, and promotion. It includes tools and resources to help field staff streamline administrative program functions, as well as access community information that can help build new community relationships and increase Chevron's visibility. The materials make clear the tie between community investment strategies and company business interests.

Consultative services

Before 1994 no field office community investment teams existed — the Calgary office made community-related decisions. All Chevron field offices now have teams of three to six employees who manage community investment activities at the local level.

Field personnel team meetings were held at all field offices to present the new community investment strategies and to garner support for the logic of a more focused community investment program. Chevron gave field staff the autonomy, under certain guidelines, to identify and initiate community investments that fit their respective community needs. The company encourages its Community Affairs team members to meet with community leaders to help accomplish these tasks.

A-7

Chevron has also designated Community Affairs work as a key job responsibility of all team members. This demonstrates that the company regards these duties as serious work rather than add-ons. Employees involved in Community Affairs are evaluated on and accountable for their work related to this function.

Chevron provides field areas with Community Affairs staff from its Calgary head office for consultation at any time. These consultants also visit field offices regularly to take part in field office meetings,

offer guidance and counsel, and participate, if field personnel so desire, in meetings with local community leaders.

A1.3.3 Employee Involvement

Chevron Employee Partner Program

The company launched this program to give support to employee volunteerism and personal giving in a variety of ways. The elements of the Chevron Employee Partner Program are:

- **Employees in Action.** All regular full-time Chevron employees may, with supervisory approval, take eight to 10 hours per year of work time to volunteer with community organizations of their choice. Guidelines for voluntary participation in Chevron's policy manual include the company's commitment to indemnification of employees who are directors, officers, or volunteers for not-for-profit organizations.
- **Chevron Employee Community Fund.** Teams of full-time Chevron employees who wish to participate in fundraising sporting activities that benefit community organizations may apply to the Community Fund to have registration fees paid.
- **Chevron Employees Involvement Program.** Any Chevron employee who is actively volunteering and who has been employed at the company for at least one year may apply for up to \$1,000 to benefit projects of the not-for-profit organization(s) for which they volunteer. Political and fraternal organizations and sectarian activities of churches and religious organizations are ineligible.
- **Matching Grants.** Chevron will match educational grants to institutions of higher learning, Kindergarten—Grade 12, and cultural enrichment donations that employees make in any calendar year (maximum of \$5,000 per employee). Educational gifts to institutions of higher learning will be matched up to \$5,000, to Kindergarten—Grade 12 \$25 up to \$100, and cultural gifts up to \$1,000.

A-8

When the Employee Partner Program was introduced, Chevron employees received a package explaining how it worked and the

benefits involved, and Community Affairs continues to actively promote the program.

Chevron “Make a Difference Days”

In addition to the programs described above, every year Chevron organizes three “Make a Difference Days” in Calgary. These typically involve about 100 Chevron volunteers. Teams of employees fan out into the community to work on such projects as building playgrounds, cleaning up river banks, and painting local shelters or community buildings.

Chevron “Retirees in Action”

In 1996, Chevron also initiated a very successful retiree program called “Chevron Retirees in Action.” About 60 retirees are currently involved in projects addressing issues such as literacy, conservation, and historical preservation.

A1.3.4 Internal Communication

Company Newspaper

Chevron’s monthly in-house newspaper *The Meridian* devotes its back page to highlighting the company’s community investment activities and honoring volunteer effort.

Intranet Explorer

Intranet Explorer is the online internal communications vehicle used by Chevron. *Intranet* includes a community news section that:

- focuses on programs which have corporate support;
- posts information about the status of the internal United Way campaign; and

- advertises potential areas of community involvement open to employees, as well as events which require volunteers.

Community affairs newsletter

In the spring of 1997, Chevron produced a newsletter called *Chevron Community Connector*. Its purpose was to link team members in field locations and encourage information sharing.

The newsletter reinforced Chevron's criteria for choosing community investment projects aligned with the company's chosen focus areas. It also provided guidelines for choosing projects and information about measurement standards.

Other strategies

Chevron takes every opportunity to communicate information about its community affairs priorities to company employees. Community Affairs staff are developing promotional strategies that include community advertising to highlight volunteer activities of Chevron employees while at the same time promoting the causes with which they are involved and encouraging action by others.

Support for the Arts. An example of an innovative communication strategy is the way in which Chevron uses its support of arts organizations. In return for funding, the company receives tickets for the sponsored event which are given to employees, customers, and suppliers. The company encloses with the tickets a personalized brochure that promotes the arts organization and gives information about Chevron's community affairs vision, mission, and values. In this way, every person receiving free tickets also receives information about Chevron Community Affairs.

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A1.4 Focus on Core Areas and Strategic Investments

A1.4.1 Flagship Program

Chevron's flagship program and its primary partnership is the Chevron "Open Minds" school program, an innovative educational

program that moves learning to non-traditional “classrooms” at the Calgary Zoo, the Glenbow Museum, and the Calgary Science Centre.

The pilot phase of the Chevron “Open Minds” program was originally funded by Calgary’s Devonian Foundation. When the “Open Minds” concept was first introduced, Chevron, a long-time supporter of the Calgary Zoo, sought a place for itself in the pilot phase of the project. A pilot program demonstrated that the “Open Minds” approach was effective in:

- helping young people learn in different ways;
- helping teachers change the way they teach; and
- linking community-based facilities to learning.

From the program’s inception, Chevron was interested in an expanded community role in its focus area of environment and science education. When the Glenbow Museum and the Calgary Science Centre came on board as new community educational sites, Chevron extended funding to include all three under the broad umbrella of the “Open Minds” program with a commitment of a million dollars over a five-year period.

Chevron, recognizing that consistent promotion and marketing would be essential for success, took responsibility for these aspects of the program. The company provided additional financial resources to purchase print and television ad placements, and enlisted print and television partners. The combination of dollars and positioning of these secondary partners leveraged substantially more coverage than the budget could have purchased.

A-11

The “Chevron Open Minds” school program was formally launched in November, 1997. It is fully aligned with Chevron’s business objectives in a way that few projects could be — the program has an innovative educational focus and complements Chevron’s interests in science, technology, and the environment.

1.4.2 Program Success

The first year of the “Chevron Open Minds” school program has been very successful, a statement supported by the observation that while it requires tremendous commitment from teachers — all must write an application proposal and, if chosen, attend a week-long

summer program before their classes can participate — there is already a waiting list. A program manager says:

We're already victims of our success. We can accommodate 30 classes of about 30 students each per year. We already have 70 proposals for next year, and we'll have to refuse 40 of those.

Another says:

This is a dream come true — a corporation that wanted to take a leadership role in education and community facilities that are committed to innovative hands-on learning. What a great marriage.

Since the program officially began, other Calgary corporations have invested in developing alternate community campus programs, with the “Chevron Open Minds” school program as the model. Within the Chevron family itself, Chevron Canada in Vancouver, British Columbia is considering the program as a potential project for Vancouver schools. The possibility that the program will be replicated in other areas is very strong.

A1.4.3 Key Points

The “Chevron Open Minds” school program included several challenges which render it a particularly interesting case study.

- **There are many stakeholders.** These include Chevron, the three community organizations who deliver the program, the Devonian Foundation, and both Calgary school boards.
- **Stakeholders have different needs.** While all have a strong shared program vision they nevertheless each have different needs in terms of what success looks like within the context of their individual organizational/business objectives.
- **It was necessary to spend time to identify shared values and build trust.** At the beginning of the project, partners had to take time to identify key shared values necessary to ensure project success. Some of these values were honesty, diversity, integrity, achievement, recognition, and communication.
- **Clear role definition in terms of responsibilities was critical.**

- **Measuring for success isn't always easy.** Choosing measurement tools that accurately evaluate the program in terms of each partner's needs is not an easy task. The partners have had to reach agreement on key tools, namely, teacher impact and student learning. Other measures (*e.g.*, those that focus on raised profile for the program and the partners and basic quantitative data), while important, have become secondary. Survey instruments to measure program impact continue to be developed.
- **A large investment of time has been necessary.** The investment of time on the part of all the stakeholders has been an important factor in the project's success.

A1.5 Other Programs/Projects

Chevron gives major support, through investment of financial, volunteerism, and gifts-in-kind resources, to several other programs aligned with its core community investment areas. Some of these programs are:

- **The Calgary Leadership Awards**, initiated by the Volunteer Centre of Calgary in partnership with Chevron and three other corporations in 1997. For these awards, Chevron created an award for excellence in workplace volunteerism and business relationships with not-for-profit organizations.
- **Family Volunteerism**, a three-year developmental partnership project with the Volunteer Centre of Calgary.
- **The Cross Conservation School**, located at the Ann and Sandy Cross Conservation area, offers school children an environmental learning experience that includes an orientation, interpretive walks through the natural landscape, and opportunities to observe a variety of wildlife and native plant species.
- **The Chevron Science Olympics**, held in conjunction with both Calgary school divisions and the Calgary Science Centre.

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In addition, 20 per cent of Chevron's budgeted community investment dollars support the United Way, health-related issues, and various arts groups.

A1.6 Strengths of the Program

A1.6.1 Entrenched Commitment

Community Affairs has carefully aligned its policies to Chevron's corporate strategies, and by doing so has created a sustainable and well-supported community investment program. By creating a clear community investment policy, the company has made a conscious effort to ensure that programs are not dependent on any one person or department. There is a strong understanding throughout the company that community outreach and support is a core Chevron value and an important part of the company's business.

A1.6.2 Selling the Strategy

Community Affairs has dedicated resources to promote, both internally and externally, Chevron's community activities. The company has placed a high priority on employee volunteerism, by contributing time to help staff participate in communities and by promoting corporate values that encourage their involvement. Extending community involvement to field staff has cultivated new champions and created beneficial new relationships in those communities.

External advertising and media have positioned Chevron and its partners in a positive light. Several not-for-profit partners have said their relationship with Chevron has raised their organizations' profiles and has expanded opportunities for new business relationships.

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A1.6.3 A Move to Solution-Based Programs

Chevron is no longer trying to be all things to all people. Addressing community concerns where the company operates has a high priority. There is a strong commitment to making fewer but more substantial investments in projects in which outcomes can be measured. Chevron believes that, by linking its values with those of the community, the company can obtain maximum return from its charitable resources. Chevron also believes that encouraging employee participation and appreciating the different perspectives employees provide will strengthen communities, involved individuals, and ultimately Chevron.

A1.7 Concluding Statement

In three years, Chevron has moved from a company that simply wrote cheques to a company determined to make a real difference in the communities where it has significant interests and operations. It has done so from a strategic business perspective rather than from one which is purely philanthropic.

The true benefit of such a community investment program is that it offers a win-win situation for both the company and the community, and therefore motivates both to be committed over the long term.

Flint Canada Inc.

A2.1 Company Profile

Flint Canada Inc. (Flint) is a privately-owned, Alberta-based non-union contractor which has been providing Western Canada's resource development industries with technical and construction services since 1949. The company provides services in oil and gas fields, plant maintenance, industrial services, pipeline construction, civil and mechanical construction, well-servicing, electrical and automation services, and fabrication.

The head office is located in Calgary, with satellite operations in 19 locations throughout British Columbia, Alberta, Saskatchewan, the Northwest Territories, and Usinsk in the Komi Republic of Russia. Flint employs approximately 1,500 people.

Flint's vision of excellence includes:

- providing quality work;
- honesty and fairness;
- rewarding employees for their commitment, energy, enthusiasm, and results produced;
- continuous improvement, including commitment to Total Quality Management, strategic alliances, and safety; and
- supporting communities in which employees live through employee and company involvement in charitable and community projects.

A2.2 Background

A2.2.1 Historical Perspective

As in many private companies, charitable giving at Flint is primarily determined and managed by the President and Chief Executive Officer. Flint field offices have for many years been involved in community activities, including fundraising for local initiatives, spring clean-up events, and “adopting” and helping local families. Although many of its employees were active in the community, up until 1994, Flint as a corporation had no particular cause that it supported, and had never been involved in sponsoring or organizing any strategic employee volunteer initiative.

In 1994, when Flint embarked on a Total Quality initiative, someone suggested that employee volunteerism might be an option to consider and investigate as a way to build teamwork skills in the company.

The company established a Flint Employee Volunteer Program Committee made up of a corporate representative, the office manager, and two employee volunteers, and gave it a start-up budget of \$3,000. Committee members quickly realized that they didn’t know where to begin and that they needed guidance in clearly defining what they wanted to accomplish in the community. Through the Volunteer Centre of Calgary, the team learned about and joined the Calgary Workplace Council. Consulting with the Council’s support staff helped team members develop a community investment strategy.

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A2.2.2 Strategy

Within three months of starting the planning process, Program Committee members developed a “core activity” plan. From this plan there evolved an overall company program, complete with detailed timetable and an employee volunteerism policy that complemented the company’s Vision of Excellence.

The employee volunteerism policy clearly laid out the purpose of the program:

- provide employees, retirees, and their immediate families with opportunities to work together in fun and meaningful ways to add value to the community;

- allow the company to benefit from the exposure and experiences of its employees in the community; and
- help the community meet the needs of its citizens.

Program goals include using principles of Total Quality to build team spirit and develop better internal and external communication. The program also seeks to use the collective skills and talents of groups of employees to help bring about positive change in the community, or to positively impact a community issue that employees deem important to them.

The company established an employee volunteerism policy that includes guidelines for:

- employee work time flexibility;
- Volunteer Program Committee responsibilities;
- project evaluation;
- indemnification and liability regarding Flint employees; and
- criteria for support.

And then the Flint Program Committee grew — to five members — and the budget grew — to \$5,000.

In 1995, the Program Committee developed goals and objectives for the program.

For Flint:

- to enhance employee communication skills;
- to build team spirit through employee participation; and
- to enhance employee management and organizational skills to foster continuous improvement in employees.

For the community:

- to help provide resources necessary to better meet the needs of its citizens.

The Program Committee developed a questionnaire and surveyed employees to identify what they considered the top three community

issues. Employees chose children and issues relating to children as the area of greatest concern.

The Volunteer Centre of Calgary provided a list of Calgary agencies that dealt with children's issues. The Flint Program Committee narrowed the list to four agencies working to improve the well-being and health of children at risk.¹ The Volunteer Centre then provided the four agencies with information about Flint's program objectives and the company's interest in finding a signature employee involvement project to achieve those objectives. The agencies were invited to make presentations to Flint's Program Committee, suggesting possible projects that would be mutually beneficial.

Following the presentations, Flint chose Child Find Alberta ("Child Find"), a registered charity that:

- assists in the search for missing children;
- advocates for the rights of children and youth; and
- delivers education and prevention programs pertaining to child safety.

Although Program Committee members decided that Flint would partner with Child Find to develop a signature project, they were so impressed by the work being done by the other three agencies that they unanimously decided to also help each of them in some way. Over the next few months Flint employees in Calgary:

- built a tool shed for Children's Cottage, a crisis nursery with a mission to prevent neglect and abuse of children under nine years of age;
- recruited volunteers for two fundraisers organized by Woods Christian Homes; and
- participated in the William Roper Hull Child and Family Services annual *Hullabaloo*, a giant children's carnival that attracts almost 10,000 visitors annually.

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¹ "At risk" is a general term referring to children and youth whose healthy development is, for various reasons, vulnerable or threatened.

Both Wood's Christian Homes and William Roper Hull Child and Family Services offer residential care, treatment, and counselling for children experiencing emotional, mental, behavioral, and/or psychological problems.

And then the Flint Program Committee grew — from five to seven members — and the budget grew — to \$10,000.

A2.3 About Child Find

About 60,000 children go missing in Canada every year. Child Find, with local police and trained volunteers, runs Identification (ID) clinics for parents and children. Each child receives a passport called "All About Me ID." At public clinics held at community events, children, with permission of their parent or legal guardian, are fingerprinted. Children under five years of age are palm or foot printed. The name of each child fingerprinted is registered with the police.

In addition to the foot/palm/fingerprints, the passport records key information about each child. Besides basic information such as name, address and birth date, the passport has space for:

- medical information;
- a description of the child that can be updated as he or she grows and changes; and
- information about prevention and awareness that parents are encouraged to discuss with their child.

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Parents are the keepers of the passport. Child Find advises them of the critical importance of having a regularly updated photo of the child and helps them understand key procedures to follow if a child does go missing.

In searching for missing children, police have recognized that often parents, in the trauma of the moment, don't have a current, readily available photograph, and are often fuzzy about identifying details such as scars or skin tones. The ID passport helps parents be aware of the necessity of keeping current information on their children, and provides a tool for doing so.

A2.4 Developing the Signature Partnership

A2.4.1 Getting Started

Child Find is part of a national network of organizations and operates in most major cities in Canada. The organization does not have the resources to reach many small communities, particularly as it has a very small staff, complemented by volunteers.

As Flint has employees in 19 communities across Western Canada, Child Find's partnership proposal suggested a joint effort to recruit and train Flint employees to run ID clinics for parents and children in each of their locations. In November, 1995, the Flint Program Committee and Child Find began planning how to best develop such an initiative.

As a first step toward starting the partnership program in Calgary, the Program Committee developed a communications plan. Committee members created a partnership logo which depicts an adult hand reaching for a small hand, with the Child Find Alberta and Flint Canada Inc. names included. A tag line, *Working together — hand in hand*, completes the logo.

Committee members planned a Calgary launch event for March, 1996 and named the program "Flint Cares." The launch combined an ID Clinic for the children of Flint families and a celebration of the partnership program with Child Find. Committee members also created and circulated posters, and informed employees of the event. Company president Ron Shannon wrote a letter announcing the partnership to all of Flint's Calgary employees, inviting them to the launch and promoting the ID clinic as a major tool for protecting and safeguarding their children.

A carnival atmosphere, complete with food, clowns, community mascots, entertainment, face painting, and fun complemented the ID clinic and provided a further draw for Flint families. Forty-two Flint volunteers worked on the event; of these, 25 trained as Child Find ID volunteers. A total of 150 employees attended the event with their families, and 61 Flint children completed the ID process.

Following up on the successful launch event and the evident enthusiasm for the project, trained Flint volunteers have since conducted five more ID clinics in Calgary. This has resulted in the fingerprinting and photographing of 1,500 children over the past two years.

A2.4.2 Taking the Program to Field Offices

The next step was to roll out the concept to Flint’s field offices. To do this, Child Find, with the help of local police, recruited and trained Flint volunteers in Brooks, Alberta. In October, 1997, these volunteers conducted Brooks’ first ever Child Find clinic at the local mall, where they completed IDs for 252 children.

The next office to join in was Whitecourt, Alberta, where another 25 trained Flint volunteers ran a clinic at the 1997 annual trade fair, with IDs completed for 381 children. The April, 1998 Flint newsletter reports:

With 8,000 trade show visitors, Flint’s visibility was extremely high. Volunteers were proud to hear countless comments about the value of the clinic and Flint’s participation.

The most recent location to join the ranks of Flint communities participating in the Child Find program is Norman Wells, Northwest Territories. In June, 1998, employee volunteers ran their first clinic — 21 Flint volunteers fingerprinted 102 children at the local fire hall. Given that Norman Wells is a small transitional northern community with only 100 students in the local school, it seems fair to say that the event was a resounding success. The small population of Norman Wells does not lend itself to frequent clinics so the town’s Royal Canadian Mounted Police (RCMP) agreed to keep ID passports on hand and continue to make the Child Find service available.

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As each new community joins the growing ranks of the Flint/Child Find partnership (two more are currently in the process), members of the Flint Cares Committee and Child Find work together to provide new volunteers with orientation packages. These packages reinforce the need for educating parents and children on the importance of street proofing and stranger proofing children.

Flint’s field offices recruit the volunteers. The company’s corporate office helps with logistics planning and event promotion, and a program committee member attends each launch program. Child Find engages local police support to provide fingerprint training.

Following the launch event, each volunteer receives an evaluation that includes questions specifically addressing the program's impact in the community. The evaluation also asks employees if the volunteer experience improved their team-building skills. In addition, the Program Committee also collects and analyzes various statistics related to conducting a clinic (*e.g.*, time required for planning and running, numbers of volunteers, children fingerprinted). These statistics are used to further promote the program and improve planning for future clinics.

A2.5 Recent Developments and Current Program Status

Since the partnership began, Flint has provided strong support to Child Find. For example, the company has:

- purchased a digital camera now used during clinics;
- developed and continues to pay for wash-away tattoos as a reward for children who participate in the clinic; and
- underwritten, in 1998, the costs to produce the “All About Me ID” booklets for the next three years. Between 10,000 and 12,000 booklets are produced annually.

In addition, Calgary volunteers recently helped Child Find with a local fundraiser — a giant garage sale — by providing goods to be sold, a truck to move items, and volunteers for the event.

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The partnership continues to grow. Child Find's manager of Volunteer Resources, Margie Niven, says:

The partnership between Flint Canada Inc. and Child Find has evolved into a personal relationship between the organization and employees. We can now take a much-needed service into communities we have previously been unable to reach. The company-wide volunteer effort is a gift that ultimately benefits children and families throughout Western Canada — a gift that money can't buy.

The partnership has provided many opportunities for team building at field offices, and between the company's head office and field offices. Also, relationships among local police, Flint employees, and the communities flourish.

A2.5.1 Program Expansion

The "Flint Cares" program focus has now expanded to include projects dedicated to promoting the health and well-being of children, and their families, in crisis.

A2.5.2 Current Initiatives

The Volunteer Program Committee is now:

- reviewing Program Committee volunteer positions and looking for ways to lighten the load for participants;
- addressing succession issues in terms of committee leadership;
- looking for more concrete evaluation tools to ensure that the partnership is meeting its goals; and
- promoting, throughout the company, an employee recognition program which has already been developed.

In April, during Volunteer Week, Flint's internal company newsletter, *The Leading Edge Bulletin*, was dedicated to volunteerism and the many projects involving Flint volunteers.

Flint now has, in every field office, a contact person responsible for volunteer initiatives. The head office Program Committee is stable at seven members, and the budget has grown yet again to \$18,000.

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A2.5.3 Other Benefits

"Flint Cares" committee Chair Wendy Crawford says, "We've also had a lot of fun. That's not something that's easy to fit into a busy workplace."

For example, at *Hullabaloo*, the annual indoor carnival sponsored by William Roper Hull Child and Family services, Flint's Calgary employees build a sandbox that shows kids how a pipeline is built. The sandbox is filled with Tonka toys, and the children wear hard hats. With a little help from Flint volunteers, the kids enthusiastically build and disassemble pipelines or just play in the sand. At the same time they learn something about the oil business and the safety aspects of building a pipeline. The activity is fun for children as well as for the volunteers.

Hull managing director Lou Zaganelli says:

Flint has real enthusiasm for their community involvement activities and real commitment. They are not here today and gone tomorrow. They took the time to look at themselves and to build awareness about a serious issue. They also took the time to build relationships with organizations in the community who have experience with the issues. The spin-off benefits for our organization have been substantial. They have become real flag bearers for the kids at Hull.

A2.6 Strengths of the Program

A2.6.1 Employee-Driven Program

Flint employees are the driving force behind "Flint Cares." There is no staff dedicated to support program initiatives. While work day flexibility is an option extended by the company, the additional time commitment outside of work hours is substantial.

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A small group of head office employees takes a leadership role in responding to applications for support from the community, managing the signature project's expansion, and setting direction for corporate community investment initiatives. This group also provides support and encouragement for field office activities, and ensures successes are communicated and celebrated throughout the company.

A2.6.2 Leveraging Internal Resources

Flint's president has been very supportive of employee community investment initiatives. Although most of the donations budget — about \$80,000 per year — is still allocated through the president's office, the employee program budget has grown by five times the original budget in three years.

The “Flint Cares” committee recognizes that employee involvement in corporate contributions in this company is still relatively new. Nevertheless, the members are confident that resources will be provided as needed. The community investment program has greatly increased Flint's profile in the community, and has thus proved a good business investment as well.

A2.6.3 Choosing the Right Signature Project

Taking enough time at the front end of the “Flint Cares” program has been an important contributor to its success. While structure and process were important and needed to be addressed, Volunteer Program Committee members recognized that they needed help in educating themselves about the issue area Flint employees had chosen as a focus.

They also recognized that the program's success would be dependent on ensuring that whatever evolved had to be aligned with the business needs of the company. The signature project would have to be one which would:

- appeal to all field offices in Western Canada;
- address a distinct need in the community focused on improving the health and well being of children at risk; and
- engage the spirit and enthusiasm of Flint employees while building teamwork skills and enhancing management and organizational skills.

The committee had a very modest budget and no dedicated support staff, and the careful, step-by-step process through which it developed the partnership with Child Find proved effective. As a result, additional community partnerships forged by the committee are strong, and the committee continues to refine and enhance program objectives.

With respect to employee skill development, “Flint Cares” past committee Chair Danny Stephens says he is one of the benefactors of that focus:

I’ve grown immensely as the chair of the committee. I’ve had to set agendas, run meetings, co-ordinate team activities and interrelate with people in the community that I ordinarily would not interact with. My wife is so impressed, that she’s now pushing her company to get something happening there.

A2.7 Concluding Statement

In 1997, Flint was one of three award recipients of the Chevron Canada Resources *Leaders in Business Award*, an award that recognizes business partnerships and work place volunteerism effort. This public recognition as a “Leader” has created company pride in Flint’s employees, and has provided new motivation to continue working with Western Canada communities where Flint has a presence.

Insurance Corporation of British Columbia

A3.1 Company Profile

The Insurance Corporation of British Columbia (ICBC) is a provincial Crown Corporation established in 1973 to provide universal auto insurance to British Columbia motorists. In 1997, the company completed a merger with the provincial Motor Vehicle Branch, and assumed responsibility for almost all driver and vehicle related services.

All British Columbia motorists are required to buy a basic package of ICBC Autoplan insurance that includes accident benefits, third party legal liability protection, and underinsured motorist protection. The corporation competes with other insurance carriers by offering extended third party liability and other optional insurance coverage which motorists can buy from a company of their choice. ICBC people approximately 4,500 people province-wide.

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ICBC operates on a non-profit, break-even mandate. It collects insurance premiums from more than 2 million motorists and invests these premiums to provide insurance benefits for customers and crash victims.

ICBC's Mission — changed three years ago from a more traditional insurance focused mission — *is helping British Columbians take the risk out of road transportation*. The company works towards that mission by striving to provide effective and reliable auto insurance to all British Columbia motorists, and by developing and implementing a wide range of road safety and auto crime programs.

A3.2 Background

In 1994, British Columbia had the highest incidence of road accidents in Canada — 25 per cent higher than the national average. ICBC recognized that dramatic action was needed to improve road safety. The human costs of accidents — impairment and death — were staggering. Claim costs were astronomical. Customers were unhappy about the cost of insurance programs, and the company’s image was poor. Raising the cost of premiums was not an option, and even if it were would not solve the problem. Both accidents and claims had to be reduced.

While ICBC does not have a “charitable” community investment budget, the company firmly believes that it is a major stakeholder in developing strong community investment strategies and is committed to working in partnership with communities and stakeholder groups to address road safety challenges that impact the citizens of British Columbia

A3.3 Strategy

ICBC determined that it needed a strategy that would positively influence the attitudes and behaviors of its client group, both for social benefit and business advantage. To that end, the company developed a comprehensive social marketing initiative which established an evolving social mandate for proactively addressing British Columbia’s road safety problems.

The program:

- focuses on prevention, protection, and rehabilitation;
- makes use of ICBC’s knowledge and expertise; and
- provides communities with the resources to initiate program elements focused on relevant issues around the social and economic drain resulting from road crashes.

A3.3.1 Social Marketing Program

In 1994, ICBC introduced “ROAD SENSE — It starts with me.” To truly help bring about change — that is, to change drivers’

behaviors and attitudes — ICBC determined that strategies would have to be comprehensive and would have to address:

- impaired driving
- speed management
- safety devices such as seat belts and headrests
- auto crime reduction
- road improvements
- commercial vehicle safety
- bicycle safety.

Most strategies would require unique community partnerships. ICBC, well-armed with real and disturbing baseline data and a determination to translate the reality of the situation into a jointly owned community issue, committed to a multifaceted road safety social marketing program.

A3.4 “ROAD SENSE” Program Elements

A3.4.1 Speed Management Program

The strategy developed was a step-by-step process that included:

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- Awareness: What’s the issue?
- Education: What can you do about it?
- Enforcement: How can systems and behaviors change?
- Evaluation: Research and reaction.

The purpose of the speed management program was to:

- increase the public’s recognition of speeding as a major safety risk that is no longer acceptable and
- reduce deaths and injuries.

A3.4.2 Education

Based on knowledge of the existing environment regarding driving attitudes, automobile advertising, and motor vehicle accident statistics, ICBC launched a mass media campaign with lines like: “Speed is killing us!” and “It won’t kill you to slow down.” Ads were dramatic and very graphic.

ICBC embarked on extensive community consultations, and held numerous stakeholder forums. Third party endorsement was essential, and the company initiated discussions with medical associations, auto clubs, and victims’ advocacy groups. Discussions were frank, data and research findings were real, and ICBC made it clear that it had no hidden agenda. It needed help and support to deal with a serious social and health issue, and it was looking for partners. Within a few months, and with the help of local police, ICBC consulted 13 communities.

During the community consultations, there appeared to be wide acceptance that drinking and driving was a problem. Also, statistics indicated that speed was a significant factor (one of the top five) contributing to the number of fatalities and injuries. For example, in 1994, 194 deaths and 8,000 injuries resulted from speed-related crashes and this translated to \$400 million in insurance costs. Survey results further indicated some disturbing attitudes: people liked to drive fast and said they often derived a thrilling sense of power from doing so. There was also recognition that car manufacturers produced television and magazine ads that show fast cars as a way to be “cool” and achieve personal power.

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A3.4.3 Drinking and Driving Program

ICBC initiated an advertising campaign to increase awareness around the problem of drinking and driving, as well as an enforcement campaign to advise drivers about the consequences of drinking and driving. In co-operation with police, ICBC also increased the number of road checks with respect to alcohol consumption. Ads in various media advised:

“The Drinking Driving Counterattack is about to launch a new weapon.”

The ads clearly articulated that the “new weapon” consisted of more road checks and stricter penalties for refusing or failing alcohol tests.

A3.4.4 Enforcement Campaign

During community consultations photo radar had been suggested for use as a speed deterrent, so ICBC conducted a study to assess public support for this strategy. Results indicated that the public would likely support the use of photo radar in areas where there was a high accident rate.

ICBC then financed the purchase of photo radar cameras and worked with police to use the cameras in areas of the province where the most accidents occurred as a result of speed issues.

Police and traffic safety staff chose 30 sites as key areas to monitor. They established operating standards for using the cameras, agreed to be open about camera placement, and told the public that the program’s success would be measured not by *how many* speeding fines were given, but *how few*.

The ad campaign, designed to create awareness of new enforcement strategies, led with statements like “Playing Fair with photo radar,” and advised citizens that cameras would be active in locations where there was public and community support for their use. The advertising for increased speeding enforcement reinforced the message of the mass media campaign, “Speed is killing us.”

In some traffic corridors, and because of police agreement to enhance enforcement campaigns, ICBC contributed to police overtime required to implement the program.

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A3.4.5 Evaluation

The impact of the “Road Sense” Program was measured by tracking insurance statistics and analyzing relevant data. Attitudes and enforcement effort were tracked on an ongoing basis, and programs were modified based on research results. The challenge was to keep key goals and efforts focused to grow road sense awareness and support for road safety.

3.5 Initiatives

Several new initiatives have been created and developed since “Road Sense” began in 1993.

A3.5.1 “Road Sense” Speakers Program

This program was aimed at community groups, students, and parent groups. Speakers included motivational presenters on the subjects of building self-esteem and making good life choices, victims of impaired driving or speed related accidents, an emergency room doctor, a regional coroner, a paramedic, a professional race car driver, and a law enforcement officer.

One component of this program — a videotaped presentation by the emergency room doctor and the Vancouver coroner — was so powerful that the resulting video, “*Life in the Death Lane*” was distributed to every secondary school library in British Columbia.

When people were able to hear accident victims and rehab workers tell their own stories, it seemed to really hit home. For example, hearing a severely burned crash victim say: “Do you know what it’s like to be pinned inside a blazing car, the victim of an impaired driver, and what it’s like to cope with the aftermath?” has a lot of impact.

A3.5.2 Other Innovative “Road Sense” Programs

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- New programs encourage safe cycling and safe driving practices for people who drive as part of their jobs.
- Videos and print materials are available for parents wanting information about choosing the best equipment for child protection (*e.g.*, restraint systems for infants and small children) and about how to use the equipment effectively
- The “Road Stars” program offers insurance savings for good drivers.
- Roads at high crash locations are improved and re-engineered.
- ICBC offers youth grants to young people 13-25 years old to encourage them to get involved in finding projects that tackle

problems such as speeding, drinking, and driving, or auto crime. Scholarships recognize their contributions to prevention and good road sense practices.

- Research grants are available for post secondary students to encourage specific research projects regarding prevention issues or innovative treatments for accident victims.
- Seed grants are available to communities with creative ideas for curbing auto theft and crime and for projects that encourage auto safety.
- British Columbia's first comprehensive ranking of auto-theft devices was created in 1997, and an extensive partnership with British Columbia retailers for promoting the use of anti-theft devices is now in place.
- High impact communications materials on all aspects of the "Road Sense" program were created and are widely circulated.

"Road Sense" is suddenly everywhere, and everywhere people are paying attention.

A3.6 Implementing the Strategy

As ICBC is a Crown corporation, it took time to get provincial MLAs on side and supportive of the new strategies. ICBC moved from being just an insurance company to being a risk reduction company — a road safety company. Along the way, it was necessary to change legislation to support harsher penalties and increased enforcement measures.

Internally, employees changed from being people who sold insurance or processed claims to social marketers and prevention advocates. Public Affairs and Marketing staff encourage everyone in the company to contribute new ideas, and people do so with enthusiasm.

One of the biggest challenges for ICBC is how to create an environment that engages others in implementing those ideas. Another ongoing challenge is how to handle those who believe they have been hired to sell insurance or process claims, and who are uncomfortable with the dramatic change in direction.

A3.7 Results of the Program

When Public Relations and Marketing personnel developed and sold the social marketing strategy to the ICBC executive in 1994, they did so with the understanding that the program represented a long-term commitment. There was no “quick fix.” Until British Columbians understood that there was an urgent need to address the seriousness of the problem — and that they were part of the solution — the province would continue to have the highest road accident rate in Canada. As a result, insurance rates would continue to increase.

It took until 1997 for ICBC to see substantive results of the awareness, education, and enforcement components of the “Road Sense” program. ICBC estimates that road safety efforts saved British Columbia approximately \$60 million dollars in 1997. In the company’s 1997 annual report, president and CEO Thom Thompson said:

In 1997, we recorded the fewest number of fatalities in our history. This decrease is a significant number — 29 fewer fatalities reported to ICBC. We began to see initial payoffs from our hard work. Traffic fatalities are down, injury claims are down and fewer people are speeding.

Thompson added that despite significant reductions, much more needed to be done. To that end, an expanded road safety program, fully endorsed by the government, British Columbia police forces and community safety organizations, was introduced in 1997.

A3.7.1 Expanded Program

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The enhanced program “Drive to Save Lives,” is a six-point comprehensive plan to make British Columbia roads safer, reduce auto theft and fraud, and keep auto insurance affordable.

- crackdown on impaired drivers, *e.g.*, indefinite licence suspension and vehicle impoundment;
- tough measures to reduce speeding and dangerous driving, *e.g.*, intersection safety cameras and speed corridor enforcement;
- higher insurance costs for drivers responsible for automobile crashes;

- new measures to improve driving; *e.g.*, graduated licensing;
- strengthened anti-fraud and auto-crime measures; and
- significant initiatives to improve efficiency, cut costs, and reduce legal delays, *e.g.*, upgrading of insurance systems, injury management, and dispute resolution.

An integrated marketing plan has been completed and phase two of ICBC's social marketing initiative is now underway.

ICBC's 1997 Annual Report includes the following paragraph:

If BC drivers improve their driving habits, crashes will decrease, fewer people will be injured and fewer people will die. It sounds so simple, but if one less family is torn apart by a tragic auto crash it's worth it. If one less child dies because of a careless driver, it's worth it. Changing driving habits is the only way to reduce the human suffering brought on by motor vehicle crashes.

A3.8 Strengths of the Program

A3.8.1 Community Consultation and Involvement

ICBC's choice to embark on a social marketing strategy demonstrated that it was committed over the long term to helping influence the road safety attitudes, understanding, and behavior of British Columbians. Knowing that it could not solve the problem alone, the company consulted with key stakeholders in communities across the province.

ICBC staff built a comprehensive strategy to improve road safety, based on what citizens said they felt was important. They also provided resources and support for community action aimed at improving road safety and accident reduction. By doing so, they garnered support for the program and are now seeing results.

A3.8.2 Step-by-Step Approach

In 1994, ICBC embraced a multi-faceted approach to improving road safety. This approach included education, enforcement, awareness, and evaluation. The company built on levels of activity, increasing the intensity of effort after each success.

“Road Sense — It starts with me” became a branded program recognized by the public as an ICBC initiative needing the involvement of all British Columbians. Marketing strategies created awareness of the seriousness of the issue and the need for change. These strategies advised the public that new enforcement practices were being implemented and that high-risk traffic corridors were being re-engineered. Communications materials were targeted to a variety of community audiences, (*e.g.*, car owners, bike riders, new drivers, parents).

ICBC built measurement and evaluation into all the program components. Programs were constantly modified based on results.

A3.8.4 Go Big or Go Home

ICBC has demonstrated through their “Road Sense” program that it is committed to helping British Columbians dramatically reduce the risks associated with road transportation.

ICBC has dedicated substantial resources to the issue of road safety, and has made efforts to convince the public that dealing with road safety is not about frills but is a grave necessity. Although certainly there are business reasons for wanting to effect change, (*e.g.*, improvements in road safety will positively impact the company’s bottom line), ICBC also believes that it has the same community values as do British Columbia citizens.

Through tough legislation, extensive advertising, development of awareness and educational materials, improved enforcement, and many other proactive initiatives, ICBC issued a call for action. British Columbians are responding. Road safety is now regarded as a major social issue in British Columbia.

A3.9 Concluding Statement

ICBC is starting to see a shift in attitude and in road practices in British Columbia. Provincial politicians have supported the company's efforts by implementing legislation for "the most aggressive road safety legislation ever seen in British Columbia"¹ and by endorsing the six-point plan described in this case study.

After three years, ICBC remains committed to the next phase of an aggressive campaign to change behaviors and attitudes regarding road safety in British Columbia.

Darlene Hyde, ICBC's vice-president of Public Affairs and Corporate Marketing, speaks of her pride in the company's social marketing initiatives:

I feel proud primarily that in three years we have made a difference, and have reduced the social costs of accidents in British Columbia. People are no longer complacent about road safety issues, and there is a realization that safety is everyone's responsibility.

On a lighter and more personal note there's also the taxi driver test. You know you work for a respected and trusted company when — on learning where you're employed — the cab driver praises the company for all their good work. When you're seen by the local cab driver as a company making significant contributions to the well-being of British Columbians, then you know you're doing something very right and very good for the community.

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¹ The Honorable Andrew Petter, former Minister Responsible for ICBC.

Glaxo Wellcome Inc.

A4.1 Company Profile

Glaxo Wellcome Inc. (Glaxo Wellcome), one of Canada's largest research-based pharmaceutical companies, was formed in 1995 as a result of a merger of Glaxo Canada Inc. and Burroughs Wellcome Inc.

Glaxo Wellcome employs more than 1,300 employees in research and development, manufacturing, sales, and marketing. The company invests about \$60 million annually in the discovery and development of new medicines. The company's head office and manufacturing facility is located in Mississauga, Ontario. Distribution centres are located in Moncton, New Brunswick, Montreal, Quebec, Toronto, Ontario, and Calgary, Alberta.

Glaxo Wellcome's Mission is:

"We, Glaxo Wellcome, are in the business of improving health care by providing quality pharmaceutical products and services to our customers. We commit our efforts to the discovery, development, production and commercialization of high quality innovative medicines. These medicines will bring benefits to patients through improved longevity and quality of life, and to the healthcare system and society in general through economic value. We will invest in and continually improve our business to assure its long term success, for the benefit of our customers, employees and shareholders."

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The Vision is:

"We will grow our business profitably by becoming a partner with our customers and a leader in the industry in improving disease outcomes in the health care system. The optimal use of medicines

will be integrated with innovative programs and services to deliver value to our customers. We will be number one in customer satisfaction in the Canadian pharmaceutical industry. We will have a strong positive culture throughout the company, based on our corporate values.”

Glaxo Wellcome’s Values are:

- Customer focus
- Integrity
- Quality
- Work and personal life balance
- Teamwork
- Achieving full potential
- Openness and honesty
- Innovation
- Leadership

A4.2 Background

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4.2.1 Historical Perspective

The company’s charitable donations program assists national, regional, and local charitable organizations. Before the integration of Glaxo Canada Inc. and Burroughs Wellcome Inc., there was no real strategy for either company’s philanthropic approach. Decisions were reactive, were made subjectively, and followed a “shotgun” philosophy. Following the merger, the philanthropic budgets of both companies were combined, and The Glaxo Wellcome Foundation was created. The foundation, one of the 10 largest corporate foundations in Canada, invests at least one per cent of annual pre-tax profits in “selective” community investment initiatives — approximately \$3.9 million per year.

A4.3 Evolution of Focused Program

A4.3.1 Introduction

Glaxo Wellcome believes it is important to promote community investment and support. In 1995, the company decided to intensify its charitable involvement by making a long-term and sustainable commitment to one cause that would:

- represent 50 per cent of charitable funds;
- utilize employee time and expertise; and
- express the values and commitment of Glaxo Wellcome people.

A new strategic approach was developed in consultation with Glaxo Wellcome employees. The process, initiated by the Community Relations Department, was approved by the company president and executive committee. It was seen to add value to the strategic framework designed to facilitate the merger, particularly with respect to integrating the cultures of the two merging companies.

The time immediately following the merger was a good time to:

- choose a common community cause that would strengthen the company's ties to community and its employees;
- involve employees in decision-making about community involvement;
- create commitment and buy-in for new thinking and new directions; and
- increase the profile of the new company.

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A4.3.2 Initial Employee Involvement

Employee Survey

An external consultant helped Community Relations staff develop a comprehensive survey to explore employee attitudes towards personal, business-related, and Glaxo Wellcome charitable giving. The survey, which was voluntary, contained three sections:

1. **Business and the community:** Should business be involved in community and how should it be involved?
2. **Personal community involvement:** What were employees' giving habits, with respect to both time and money?
3. **Glaxo Wellcome community involvement:** How and where in the community should the company be involved?

Survey Results

Despite the length of the survey, 41 per cent of company employees responded. Major themes that became apparent were:

- Health-related issues received top priority for support.
- Of the respondents, 99 per cent indicated they approved of the company extending support to the community, and also that they felt doing so was extremely important.
- Employees wanted more information and education about charities so they could make informed choices. They wanted to be involved in the company's community outreach but did not want to feel pressured. They also expressed appreciation for being consulted on the company's Community Relations direction.

As a result of employee feedback, Glaxo Wellcome immediately introduced a grants program for employees — the company will match employee contributions to eligible charities up to \$500 per year.

All new projects are now assessed to see how Glaxo Wellcome employees can be involved. In addition, employees can now propose grants of up to \$500 for eligible charities where they volunteer at least four hours per month.

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Advisory Board

The company initiated a nine-member volunteer employee Advisory Board, for which Community Relations received 50 employee applications. The Advisory Board chosen reflected broad representation in hierarchy, divisional, and geographic positioning; skill sets; and community relations knowledge.

After its formation, the Advisory Board brainstormed 400 different community causes in a search for a focus area in which Glaxo Wellcome could intensify its charitable involvement. From the list of 400 causes, the team shortlisted 10 for further evaluation based on specific criteria.

Important criteria for the cause chosen were that it had to:

- represent an area of societal concern — one that would involve many people, organizations, and activities, all working toward a common goal;
- align with Glaxo Wellcome’s mission and long-term company vision;
- be health-related;
- provide opportunities for participation by Glaxo Wellcome employees;
- have strong potential to strengthen Glaxo Wellcome’s ties to community and “our ties to one another”; and
- express the integrity and commitment of Glaxo Wellcome people.

A4.3.3 Internal Audit and Best Practice Research

Community Relations staff conducted an internal investment audit to determine where community investment monies were being directed. They also:

- conducted a literature search to find examples of other corporate strategies for focusing charitable giving;
- consulted with other corporations which had initiated and were known for best practices with respect to strategic community investment; and
- hired EYE Inc, a Toronto-based firm, to help Glaxo Wellcome develop a social marketing strategy that would apply marketing principles to the social initiative chosen in order to affect a change in attitudes and behaviours.

A4.4 Choosing the Cause

The Community Relations staff completed its research of the 10 shortlisted community causes. Based on their learnings, the Advisory Board agreed to refine the short list to three selections which were reviewed and approved by the Executive Committee. The three selected were:

- Hospice Care;
- Care for the Caregiver; and
- Valuing Elders.

Next, a comprehensive internal communications plan, advertised as “Pause for the Cause,” focused on educating employees and raising their awareness about the three cause areas chosen. The communications campaign, which encouraged thought, dialogue, and discussion, aimed to inform employees about the shortlisted programs, with a view to having employees vote on which of the three they preferred the company to support.

The campaign’s main tool was a 12-page booklet to all employees. The booklet included:

- a backgrounder explaining the reasons for choosing a focused approach to community investments;
- information about the results of the employee survey;
- information about each of the three causes for which employees would be asked to vote, including:
 - reasons to support each cause
 - facts about the issue
 - questions to stimulate thought regarding how easy or difficult it would be for the company to be involved; and
- a ballot card.

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In addition, tent cards were displayed on cafeteria tables with questions about each of the cause areas in order to stimulate discussion among employees.

The communications materials presented a compelling message to employees that whatever cause they chose would be their cause.

The employee vote chose Hospice Care as the program most suited for Glaxo Wellcome's involvement. To inform employees of the result, Community Relations staff created a poster that read:

Applause for the Cause
We gave it our thought
We gave it our attention
We gave it our vote:
Hospice Care

An additional tag line read:

The tremendous participation of Glaxo Wellcome employees in the cause selection reflects our commitment to making a difference.

The tag line further reinforced the value the company placed on employee involvement in and support for the chosen cause.

The Glaxo Wellcome Foundation will direct half of its Foundation budget to Hospice Care. The remainder will focus on four additional areas of concern. These are:

- health and health promotion;
- social well being;
- science education; and
- local community projects.

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A4.5 Consulting the Community

The ability to significantly impact hospice care in Canada required thorough research with a view to understanding what kinds of investments and initiatives would be most helpful to the hospice care movement.

Towards this end, in May and June, 1997, Glaxo Wellcome commissioned an external research consultant to conduct in-depth interviews with 24 people involved in the hospice palliative care movement across Canada. People interviewed included medical directors of institutional palliative care units, and executive directors of residential hospice facilities and home-based hospice care programs. Also included were physicians, social workers, pastoral counsellors, and hospice care volunteers.

The interviewees identified the following critical issues:

- lack of public awareness and confusion about what hospice palliative care is;
- lack of research to show the cost/benefits of hospice palliative care models, and lack of clinical research to prove the efficacy of palliative care programs;
- lack of standardized training of health care professionals in the area of palliative care;
- unclear government commitment to hospice and palliative care; and
- an inadequate and unbalanced mix of programs and facilities to care for the dying.

Glaxo Wellcome received such comments¹ as:

We have a long way to go. Before we opened our program we had a waiting list of 17 weeks. The average stay is 45 days. Most people are dying before accessing programs. This is a situation which is intolerable.

Unfortunately, the dead don't vote and the dying don't have enough energy to affect policy change.

Everyone knows about the Cancer Society or the Heart and Stroke Foundation, but no one knows what a hospice is. We spent 2,000 hours with one client, and at the memorial service they asked for donations to the Cancer Society. Somehow or another we are not getting the message out that we provided a service and they could help us continue to provide that service to other people. We are not marketing experts...

¹ Head, Melinda, 1997. Excerpts from "A Summary of Qualitative Research Findings." La Recherche Head/Head Research.

We need generic palliative care training incorporated into the curricula of all health care disciplines. Training offered today is hit and miss. Nothing is standardized.

Following this study, Glaxo Wellcome hired the Angus Reid Group to incorporate questions on hospice and palliative care into the National Angus Reid Poll, a monthly survey. The purpose of the survey was to understand Canadians' perceptions of hospice and palliative care.

The Angus Reid Group conducted telephone interviews in August, 1997 with a random cross section of 1,500 Canadian adults. Results indicated that :

- More than half the respondents had heard of hospice palliative care.
- Only 30 per cent of respondents could provide an accurate definition of hospice palliative care.
- Survey respondents said they believe that:
 - It is important for terminally ill patients to spend their final days in comfortable and familiar surroundings. (96 per cent).
 - Pain management is a critical component of care for the terminally ill. (95 per cent).
 - Health care should include social and emotional support, as well as medical care. (96 per cent).
- Of those interviewed, 96 per cent said they believe that hospice care is very or fairly important, and 78 per cent were either very or fairly likely to use the service if they had a terminally ill family member.
- Seventy-five per cent of respondents said they thought provincial insurance plans should provide funding for hospice care.

Nearly 3 million Canadians care for someone with a health problem. The Canadian population is aging rapidly, with an expected 20 per cent increase in the number of people 65 or older over the next 10 years. Based on the results of the Angus Reed poll, however, overall awareness of hospice and palliative care is relatively low, with few Canadians able to define it as care for someone with a terminal illness.

A4.6 Glaxo Wellcome Hospice/Palliative Care Conference

In November, 1997, Glaxo Wellcome hosted the first ever summit to look at the future of hospice and palliative care in Canada. The summit represented an important step in the process of propelling the hospice palliative care movement forward in Canada.

Sixty representatives from across Canada met at the company's headquarters in Mississauga, Ontario. Leaders in the hospice palliative care movement worked with Glaxo Wellcome to ensure that the representatives constituted a diverse group of stakeholders that included consumers, volunteers, associations, health professionals, government, and champions of the hospice palliative care cause.

During the week-end long summit, participants examined the state of hospice palliative care in Canada. By the end of the conference, they had developed seven aggressive action plans for improving access to quality hospice palliative care in Canada.

Never before had hospice palliative care workers had access to benchmark survey information in Canada, and never before had they had an opportunity to work together to determine a focused strategy for moving the cause forward. Nor had they had a promise of long-term resources — dollars and corporate expertise — with which to impact an issue that is going to be of increasing importance to all Canadians.

As a result of the Glaxo Wellcome conference, the hospice palliative care community now has an action plan, which includes seven key points:

- cultivate a comprehensive program to raise public awareness and influence policy development and funding;
- maintain and enhance the quality of hospice palliative care by creating consistent standards, increasing the number of certification programs and incorporating hospice palliative care into educational programs;
- clarify and articulate a common, single vision for hospice palliative care in Canada;

- engage in and enrich the debate on ethical issues related to the end of life;
- develop models to facilitate seamless care among a wide range of community services;
- provide support and educational opportunities for caregivers; and
- increase education for the public and health professionals about hospice palliative care.

There is agreement that although the hospice palliative care movement is still in its relative infancy, there is an urgent need to propel it forward as Canada faces an aging population and reduced health care funding. The partnership between the hospice palliative care movement and The Glaxo Wellcome Foundation offers benefits for each partner.

In making this significant commitment to one cause, Glaxo Wellcome plans to build a strong partnership model to address an issue that affects Canadian society, using the powerful combination of expertise, volunteerism, and funding to make a difference.

While building on Glaxo Wellcome's desire to be seen as a creative force for community wellness, the image of the company will be enhanced, employee pride and loyalty will grow, and the community investment program will become more efficient and effective.

The hospice palliative care movement, in partnership with The Glaxo Wellcome Foundation, will have dedicated human and financial resources to implement the action plan developed at the 1997 summit. The movement will grow in profile, resulting in increased awareness and resources to more effectively serve terminally ill Canadians.

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A4.7 Key Learnings

When the employees of Glaxo Wellcome chose hospice care as their cause of choice, Glaxo Wellcome was unaware that there was a diversity of understanding across the country regarding hospice and palliative care. In some provinces in Canada there are separate

organizations for each. In Quebec, the word “hospice care” is generally not used. Are they different services? Is the issue one of semantics? One of the challenges for both the movement and Glaxo Wellcome is to create awareness that hospice palliative care is dedicated to one philosophy of care. The following definition will be incorporated into strategies to create a positive public and policy environment for hospice palliative care in Canada.

Hospice palliative care provides physical, emotional, and practical support to people with life threatening illness and to their loved ones. It brings health professionals, community volunteers, friends, and family members together as a caregiving team so patients can live their remaining days in dignity and comfort, surrounded by people who love them. Hospice palliative care is a flexible variety of supports that can be provided at home, in hospitals and nursing homes, and in specialized hospice facilities. Clients of hospice palliative services are all ages.

Other key learnings from the partnership model of Glaxo Wellcome and hospice palliative care offer wisdom that can be useful in any partnership model:

- Be selective in choosing your community investment partners.
- Consult, consult, consult with your partners. Take your time.
- Expect issues.
- Define roles and responsibilities.
- Set clear expectations.
- Be open and honest.

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A4.8 Future Development

Glaxo Wellcome is dedicated to:

- helping create a strong hospice palliative care network in Canada;
- fostering a public and policy environment that recognizes and supports end-of-life care as an integral component of Canada’s health care system; and

- increasing the profile of the hospice palliative care movement.

A team of Glaxo Wellcome employees is helping hospice groups use the research gathered in the first stages of the Glaxo Wellcome hospice palliative care partnership. The company is offering media spokesperson training to selected hospice palliative care organizations to help them identify and communicate their key messages.

Public awareness and policy development skills building workshops will also be offered. A major public awareness print campaign called “Living Lessons” is in development, and will provide many communications tools and resources such as camera-ready art work, fact sheets, and media packages for use at the local level.

According to Richard Pringle, Director of Community Relations at Glaxo Wellcome:

Our intent is to work with the hospice palliative care movement to develop and implement a multi-dimensional tactical strategy to increase public awareness both for the need for services and the need to build capacity to deliver those services.

Glaxo Wellcome says its partnership with hospice palliative care is just beginning and strategies will evolve based on a collaborative model involving ongoing consultation and action planning with the hospice palliative care movement in Canada. Lynda Lysne, Executive Director of the Canadian Palliative Care Association says:

Care at the bedside doesn't necessarily translate when you open your mouth to create awareness of the need for adequate funding for hospice palliative care services. In the partnership with Glaxo Wellcome, we each bring different skill sets, knowledge and strengths to the table. By working together honestly and with a spirit of cooperation, we increase our ability to be proactive for a cause that we all believe is important.

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A4.9 Strengths of the Program

A4.9.1 Involvement of Key Stakeholders

Community Relations staff made a case for a strategic approach to focus community investment dollars based on corporate values. They were successful not only in getting corporate approval to test the approach, but also in obtaining support for the outcome.

An employee survey enlisted the input and support of Glaxo Wellcome employees. An internal employee advisory group was formed, and with Community Relations staff spent a considerable amount of time articulating values and setting the criteria for choosing the cause.

Once employees chose the cause, the company researched public perceptions about hospice and palliative care in Canada, interviewed key leaders in the hospice palliative care movement, and distributed research findings nationally.

At the 1997 summit, an action plan was developed, and future directions were set through a collaborative process that involved both corporate representatives and a broad representation of key stakeholders involved in the hospice palliative care movement in Canada. Strong relationships were built with a commitment for ongoing communication between Glaxo Wellcome and hospice palliative care organizations across Canada.

A4.9.2 Long Term Commitment

Glaxo Wellcome entered its partnership with hospice palliative care with a commitment that their involvement would be substantial and long term. This commitment extends beyond the traditional “donation” — it includes the promise of human resources, expertise, and time.

Benchmarks will be put in place both for the short term and the long term. The company will employ a results-oriented business approach, and has an expectation that the program will have a measurable impact on hospice palliative care in Canada. Glaxo Wellcome Community Relations Manager Tara Addis says:

We aren't giving money to specific hospices. Our goal is to change society's view of hospice palliative care. This isn't traditional philanthropy; it's social marketing.²

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² Picard, Andre, 1997. “Profit in Giving: A Call to Alms.”

A4.9.3 Strong Communications Plan

Communication strategies were fundamentally important in the process that Glaxo Wellcome used to focus its resources. The company created an effective internal awareness and educational campaign for employees (“Pause for the Cause”). It made efforts to ensure that communication materials were simple and meaningful, and that they emphasized thought, dialogue and discussion. It communicated both internally and to external customers information about which cause was selected.

To strengthen community ties, Glaxo Wellcome took time to communicate extensively with leaders in the hospice palliative care movement in Canada. Such communication will continue to be high priority as the program action plan takes shape and the new partnership evolves and grows.

New Glaxo Wellcome Foundation literature was created to communicate the Foundation’s intentions to its employees and external customers.

While company representatives say it has been difficult to say no to many charities to which Glaxo Wellcome used to give, they have taken the time to explain their present strategies and say they feel the increased awareness has been well worth the effort.

Currently, the company is planning a formalized volunteer program, and is creating communication materials that will be used to promote the employee matching gift and grants programs. The consultative process used in building the Glaxo Wellcome hospice palliative care partnership has changed the way Glaxo Wellcome’s Community Relations Department interacts with other grant applicants. Associations with supported causes now focus on mutually beneficial relationships rather than on simply writing cheques.

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A4.10 Concluding Statement

Community Investment professionals across the country have been following Glaxo Wellcome’s social marketing initiative with the Canadian hospice palliative care movement with great interest. The company has received much praise for the care taken in employing a comprehensive and consultative approach to developing strategies to affect and change attitudes about a serious social issue.

Recently, Tara Addis said Glaxo Wellcome believes that:

Hospice palliative care needs to be a public agenda item. We need to be able to talk about death like we talk about birth. Life should be lived with dignity and choice to its end.

Canadian Airlines International Ltd.

A5.1 Company Profile

Canadian Airlines International Ltd. (Canadian Airlines or Canadian), the principal subsidiary of Canadian Airlines Corporation, is Canada's leading international airline. The company, headquartered in Calgary, employs 2,000 people in that city and 16,000 worldwide. Canadian Airlines was formed in 1987 with the merger of CP Air and Pacific Western Airlines. Every year, Canadian Airlines carries more than 12 million passengers to more than 240 destinations in 19 countries on five continents. The airline flies to 108 destinations in Canada.

In 1991, the world airline industry entered a financial slump. Over the next three years, Canadian Airlines streamlined its operations, initiated a voluntary financial restructuring of more than \$700 million in debt, and negotiated an agreement with AMR Corporation, the parent company of American Airlines. The agreement included a \$246 million equity investment. In addition, Canadian Airlines employees elected to invest \$200 million to become shareholders of the company. In 1994, the largest consensual restructuring agreement in Canada's history, involving Canadian Airlines employees, creditors, and AMR, began.

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In November, 1996, Canadian Airlines unveiled a business strategy designed to improve the company's profitability. The strategy is aimed at countering continuing operating losses that threaten the company's viability, and focuses on improving network revenues by \$180-200 million/year over four years. In 1997, the airline achieved a small profit — its first in 10 years.

A5.2 Background

Despite the fact that Canadian Airlines has lived with a precarious financial bottom line for the last 10 years, the company has taken a leading role in developing innovative and strategic community investment programs. This has been particularly challenging since Canadian Airlines has no cash donations budget and has had to use its ready access to airline tickets as a way of supporting community causes.

Before 1994, the company was reactive to requests for support from the community and, as Dan O'Grady, the national manager of the Canadian Airlines Foundation says, those requests were "a mile wide and an inch deep." Canadian Airlines directed its support to every aspect of community — arts and culture, community and civic initiatives, sports, health and welfare, and education. The program had no focus and no tie to the company's business interests.

A5.2.1 Restructuring Strategy

As restructuring and cost cutting assumed top priority for all of Canadian Airlines departments, the Community Relations Department undertook a comprehensive review of corporate charitable donations to determine what might be possible given reduced resources.

The review was completed in May, 1994 and included:

- an overview of the charitable sector including the size, scope, and financing of charitable activities in Canada;
- an analysis of the donation programs of more than 100 Canadian companies;
- consumer attitudes regarding the corporate social responsibilities of business;
- an internal audit of all donations made by Canadian Airlines in 1993;
- an internal audit of existing Canadian Airlines donation policies;
- an internal audit of successful community programs already entrenched in the company — for example, the transportation of live organs from donors across the country, support for the United Way, and the use of donated frequent flyer points collected by the Canadian Plus Foundation to support the medical and humanitarian needs of needy children and families.

- background information on the Western Employee Charitable Foundation and the Employee Charitable Foundation of Toronto. (These foundations had been initiated by employees and had existed for many years.);
- an external Canadian Airlines customer profile;
- a Canadian Airlines employee profile; and
- a compilation of major issues affecting Canadian society.

The final report concluded:

Transportation, much like telecommunications, provides vital links for our country. Through a carefully planned, precisely executed Community Relations program, we have an opportunity to integrate our management philosophies with various government, marketing, sales, public affairs and employee relations' strategies. This will arguably give us a strategic advantage over our competitors.

Following the external and internal audit processes, Community Relations staff from across Canada attended a three-day retreat with a view to developing a new community investment plan that would:

- link Canadian Airlines charitable activities with business interests;
- raise the profile of Canadian Airlines;
- develop a strategy for more effectively dealing with requests for support; and
- focus the very limited human and financial resources available on programs that would make a difference to both employees and customers of Canadian Airlines.

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A5.2.2 The Results

The Canadian Airlines Foundation was launched in January, 1995. The Foundation's mission is:

To lead Canada to a new destination. A destination not found on any map, nor in any schedule, but in the hopes and dreams of all Canadians — a comfortable and prosperous future. To help Canada grow.

The corporate social vision statement of Canadian Airlines includes the “four pillars” of the Foundation:

To be a leader in the markets we serve and communities we live in by investing our resources in community economic development, supporting travel and tourism education, helping people in medical need and embracing the spirit of volunteerism with our employees and retirees.

A5.3 First Pillar: Giving small business the opportunity to develop new international markets

In 1995, Canadian Airlines developed its first “pillar,” the introduction of an awards program called the Small Business International Expansion Program. The program helps small businesses introduce Canadian products to the international marketplace by providing airfare to and accommodation in any market served by Canadian Airlines.

Under this plan, Canadian Airlines requests annual proposals from small Canadian businesses with yearly gross revenues of less than \$10 million. Applicants answer questions about the nature of their business and explain how their company and their community will benefit from expanding their markets internationally.

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Proposals are judged by a panel of representatives from Canadian Airlines employees/retirees, the Canadian Chamber of Commerce, and Industry Canada. An 11 point criterion assists the judges in choosing the award winners who exemplify entrepreneurial excellence. Criteria includes readiness to expand internationally, uniqueness of product, need for the product, and need for help in expanding to global markets.

In the first year of the program, Canadian Airlines presented 10 awards and in 1996 expanded the number of awards to 20. An additional 10 awards provide airfare only.

Since the first awards in 1996, Canadian Airlines has modified the call for proposals. In the second year, the company began to ask applicants to outline any community support activities, such as community volunteerism, which they had undertaken in the past year. In 1998, they began asking applicants if they could see opportunities to create youth employment within their companies.

Questions such as these illustrate Canadian Airlines' determination to use every opportunity to advocate for and promote "social entrepreneurship" by educating and encouraging small business to participate in the communities in which they work.

In 1997, 200 applicants from across Canada applied to this program. Award-winning businesses varied and covered such diverse areas as interactive storybook CD-ROMs, smoked salmon products, motion picture production, engine control systems, and wood products. As an example of how the awards encourage international marketing, one award winner — bear-proof garbage containers — will be marketed in Australia to control scavenging by kangaroos.

Greg Saroka, president of Goldray Corporation, a manufacturer of specialty glass, and one of the 1997 award winners, hopes to market his products in the Pacific Rim. Following the award presentation, Saroka said this in the *Calgary Herald*:

When I started 12 years ago, we had about \$17,000 in annual sales. By the end of this year, we expect to do about \$10 million. We've slowly built the business up and it's very exciting to now be a national winner. It's a fantastic program, and as we grow more successful we'd like to give something back to the community just as Canadian Airlines has.

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Canadian Airlines has approached other corporations to partner with it in supporting the international growth of small business. For example, Sheraton Hotels and Resorts is an official program sponsor, picking up accommodation costs for annual award winners. In 1998, the Royal Bank became a sponsor and contributes financial resources to help promote the program.

By adding new partners to expand the program, Canadian Airlines has leveraged substantial resources to help ambitious entrepreneurs expand their global markets. Sponsors are able to enhance their corporate image across Canada and access potential to earn the loyalty of small businesses that have benefited from the award program.

A5.4 Second Pillar: Helping to build a strong Canadian travel and tourism industry

The Canadian Airlines Foundation's second pillar supports Canada's tourism industry through leadership, education, and support programs in post-secondary schools across the country.

This component of Canadian Airlines' social vision focuses on three elements:

- **The Destination Canada Program.** This program offers an invitation to students in selected post-secondary institutions across Canada to prepare a plan for increasing tourism to Canada from one of Canadian Airlines' international destinations. Plans are judged in a research competition sponsored by Canadian Airlines, and the winner is sent with five days' paid expenses to the destination profiled in the report. Further research may be shared with others who could use the information to help Canadian tourism grow.
- **Travel and Tourism Career Program.** This program provides for a return airline ticket for tourism graduates to attend job interviews anywhere in Canadian Airlines' domestic network.
- **Speakers Bureau.** This program makes available Canadian Airlines employees who wish to share work experience and information with travel and tourism students.

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Of the Canadian Airlines Foundation's four pillars, this one has been the least effective. The Travel and Tourism Career Program is the only element of the initiative which has so far been successful. Canadian Airlines' Community Investment staff believe, in retrospect, that they took on "too much at one time," given the limited human resources available. This program was modified in 1997 by providing air transportation support for students to attend conferences that complement their travel and tourism studies.

A5.5 Third Pillar: “Giving wings to hope” — providing hope to people in medical need

Canadian Plus is Canadian Airlines’ frequent flyer program. Through the Canadian Plus Foundation, Canadian Airlines invites customer participation in supporting charitable activity in Canada. Many business people are unable to use the vast number of points they collect — these frequent flyer members can donate 5,000 points or more to the following charities for medical and humanitarian needs:

- **Mission Air Transportation Network** — a national, not-for-profit organization that arranges free air transportation for needy Canadians who must travel outside their communities to obtain necessary medical care.
- **Ronald McDonald Children’s Charities of Canada** — a national not-for-profit organization that helps fund programs which improve the quality of life for children, and families of children, with life-threatening or chronic illnesses and disabilities.
- **The Children’s Wish Foundation of Canada** — a national not-for-profit organization that provides a once-in-a-lifetime experience for children suffering from high-risk, life-threatening illnesses. Wishes range from meeting a celebrity or visiting a far-away place to visiting a grandmother the child has never met.

Canadian Plus promotes this part of the program in information circulated to Canadian Airlines’ frequent flyer program members. Their brochure, *Give the Trip of a Lifetime*, allows Canadian Plus members the choice of giving points to any one of the three charities or having their points distributed equally among the three. In its member newsletter, Canadian Plus thanks donors who have pledged frequent flyer points and provides updates about the program’s success. To date, more than 249 million Canadian Plus points have been donated — these represent more than 9,000 flights to the three designated charities.

A5.6 Fourth Pillar: Sharing Canadian Airlines' spirit with local communities by supporting the volunteer work of the company's employees and retirees

Canadian Airlines Foundation National Manager Dan O'Grady says:

One of the five key initiatives of Canadian Airlines' business plan is to create the best possible workplace. Workplace volunteerism enhances the workplace environment so that employees can maximize their potential. It also combines social action, employee development and community investment to create an efficient marketing tool powered by volunteers.

Canadian supports many initiatives that are employee initiated and run. Key examples are outlined below.

A5.6.1 The Employee Charitable Foundation

Employees and retirees of Canadian Airlines have donated more than \$14 million since 1995 to charities across Canada through the Employee Charitable Foundation.

This Foundation has two registered "chapters," each with a separate constitution. The Western Employee Charitable Foundation was founded in 1955. The Employee Charitable Foundation – Toronto was founded in 1983. Both foundations support social needs, including donations to family, youth, and seniors, as well as health and other related community services. Foundation Trustees disburse undesignated funds. Trustees are representatives of the departments, union groups, and retirees of Canadian Airlines.

Canadian Airlines' employee/retiree volunteers manage both chapters of the Employee Charitable Foundation. Each foundation receives modest corporate funding from the community investment budget to develop promotional materials and cover administrative costs.

Canadian Airlines also supports payroll deductions for the annual fundraising campaign, provides space for meetings, and offers paid release time for meetings and annual solicitation of funds.

Each year, employees receive an opportunity to pledge funds to the charity or charities of their choice, support special Foundation projects of their choosing, or allow Foundation trustees to make allocations on their behalf. Various departments and employee groups also organize fundraising events throughout the year. Funds collected are given to the charity designated by the group through the Employee Foundation chapters.

A5.6.2 Proud Retirees Offering Positive Support (PROPS)

In 1996, Canadian Airlines entered into an agreement with the National Retiree Volunteer Coalition to introduce a formalized retiree program in Vancouver and Toronto. The program, Proud Retirees Offering Positive Support (PROPS), identified a leadership team of retirees in each city and trained retirees to manage the program for results.

PROPS will expand to five other locations in Canada over the next five years. Referred to by Canadian Airlines employees as “those folks who just can’t sit still,” the retirees researched community issues and trends, particularly as they related to Canadian’s business interests and priorities, and then initiated a variety of projects.

PROPS is involved in everything from recycling magazines and blankets from Canadian Airlines flights by distributing them to community organizations to running a Diners’ Club that serves meals three times a week to seniors and shut-ins, and collecting and distributing toiletry items, small appliances, and toys for women’s shelters.

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Anna Witter, coordinator of the Canadian Airlines Foundation says:

The benefits are proven. To the company, our neighborly image is enhanced, our communities are being positively impacted and we’re creating revenue opportunities. Hardly retired, this very special group of former employees is exercising its skills and work experience in helping improve the quality of life for those in need.

Retirees often say: “It sure beats a gold watch and a hand shake.”

A5.6.3 Takeoff with Timmy and Tammy

For 20 years Canadian Airlines volunteers have assisted Easter Seals raise funds to help support children with disabilities. In 1978, 200 employees and their families volunteered their time to fly six jet-loads of children over Niagara Falls and raised \$8,000 through ticket sales.

The event, still popular, is now sponsored by a local radio station and hosted by a radio celebrity, with entertainment, refreshments, and activities enlivening each flight. It now raises more than \$60,000 a year for children with disabilities.

Canadian Airlines Customer Service Manager Phyllis Maggio has participated in every “Takeoff with Timmy and Tammy” since 1978. She says:

I find the program stimulating and challenging, and get great satisfaction in working with fellow employees who donate their time and energy to make the event successful. It seems to be one of the few activities these days where we have the opportunity to encourage company spirit.

A5.6.4 UNICEF Change for Good Program

Canadian Airlines sponsors UNICEF (United Nations Children’s Fund) through their onboard *Change for Good* Program. International travelers donate their leftover foreign currency, and UNICEF returns it to the countries of origin to be used to support the survival, protection, and long term development of the world’s most vulnerable children. Canadian Airlines has raised more than \$325,000 for UNICEF since May, 1994.

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A5.6.5 Canadian Breast Cancer Foundation Run for the Cure Event

Canadian Airlines is the official airline of the Canadian Breast Cancer Foundation and has been a national sponsor for the Run for the Cure Event for the past five years.

Canadian Airlines’ involvement is the result of a grassroots employee initiative. Barb Schwob-Vrolijk, an Edmonton Airport employee, has been national co-ordinator of the event four times.

When she approached Canadian Airlines to get involved, the company supported her wholeheartedly. Schwob-Vrolijk says: “We have a lot of female employees and a workforce that is aging. Breast cancer is a disease that has affected many of us personally.”

With Canadian Airlines’ support, Schwob-Vrolijk has traveled across Canada to raise money for breast cancer research, treatment, and education. In 1997, 18 Canadian cities participated, raising \$3.1 million dollars to support the work of the Canadian Breast Cancer Foundation.

The Run for the Cure is the largest Canadian fundraising event in support of breast cancer research.¹ As the event has grown so has the involvement of Canadian Airlines. For example, in 1997:

- In September, with Canadian Breast Cancer Foundation support, Canadian Airlines hosted Awareness Days, providing employees with information about prevention and treatment of breast cancer.
- Also in September, Canadian Airlines produced a Run for the Cure in-flight video to promote the event. The company also provided advertising space in its in-flight magazine and placed promotional tent cards on all meal trays.
- To further raise public awareness of the breast cancer issue, Canadian Airlines painted a six-foot-long by two-foot-wide pink ribbon — the official symbol of the Canadian Breast Cancer Foundation — on one of its DC10 aircraft.
- In October, which is Breast Cancer Month, employees of Canadian Airlines wore pink ribbons signifying their support of the fight against breast cancer.
- Canadian’s Air Cargo provided delivery services for T-shirts and print materials to all 18 Run for the Cure sites in Canada. This represented a dramatic increase, as seven new sites were added to the national event in 1997.

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¹ Canadian Airlines, nominated by the Canadian Breast Cancer Foundation, received the Chevron Canada Resources Gold Leader in Business Award at the 1998 Calgary Leadership Awards. The Leadership Awards is an annual event organized by the Volunteer Centre of Calgary.

- Canadian Airlines provided two tickets anywhere in North America for every Run for the Cure site to be used as prizes.
- More than 1,000 Canadian Airlines employees, including company President Kevin Benson, either registered for the run or volunteered to help on the day of the event.

CD Sales

In addition to support for the annual run, Canadian has assisted the Canadian Breast Cancer Foundation in their sales of *In Between Dances* — a compilation CD featuring 23 of Canada’s top recording artists. Sales of the CD are expected to raise \$5 million for breast cancer research over three years. Jacki Ralph Jamison, a three-time cancer survivor and the lead singer of the 1970’s pop musical group “The Bells,” initiated the project, enlisting such singers as Holly Cole, Jann Arden, Celine Dion, the Rankin Family, and Sarah McLachlan.

Canadian played and promoted the CD on in-flight audio, and the Passenger Marketing Department purchased copies to send to their top 600 frequent fliers. They also distributed some of the CDs as amenity gifts for Business Class travellers. A letter attached to each CD told Canadian Airlines’ customers about the company’s active support of Canadian breast cancer research and thanked them for their loyalty and support. Canadian Airlines’ purchases of the CD resulted in it achieving “platinum” sales status.

A5.6.6 Tree Canada Day

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Canadian Airlines employees voluntarily implemented a recycling program that raised over \$100,000. In 1998, they started looking for an environmental initiative in which they could reinvest the money. They approached the Tree Canada Foundation to help them develop a project that would impact many cities across Canada and donated \$25,000 toward the purchase of trees.

The Tree Canada Foundation is a national organization that provides education, technical assistance, resources, and financial support to encourage Canadians to plant and care for trees. The intent of the resulting Canadian Airlines project was to:

- plant trees on airport lands where trees were removed in airport construction and not replaced;

- replace trees damaged by the ice storms in Montreal and Ottawa; and
- begin an environmental program that would contribute to Canada’s commitment to reduce greenhouse gas emissions.

Guy Padova, environmental projects manager at Canadian Airlines, advertised internally for “volunteer tree huggers” — employees, retirees, and their families and friends. On June 13, 1998, 250 Canadian Airlines volunteers planted 300 trees in 20 Canadian cities. Canadian Airlines promoted the event through in-flight marketing initiatives, press releases, and internal communications.

Chuck Geale, president of the Tree Canada Foundation, says:

Some corporate sponsors prefer to just write us a cheque and ask us to do the job. Canadian Airlines employees stayed involved all the way through. They really got into it, worried about it, got the work done and had fun. Their commitment was outstanding.

A5.6.7 Other Supports for Volunteerism

- Canadian Airlines has been a strong supporter of Volunteer Canada, the Association of Volunteer Centres of Canada. It was the official airline for their biennial national conference held in Winnipeg in October, 1997.
- Canadian Airlines supports individual volunteer centres in Canada, and provides air transportation for conference and keynote speakers at a variety of training events across the country. At the annual Volunteer Leadership Awards in Vancouver and Calgary, Canadian Airlines donates a return airline ticket for a not-for-profit agency to attend professional development training that they otherwise would be unable to afford.
- Canadian Airlines was the official airline for an international conference on volunteerism held in Edmonton in August, 1998. The conference was sponsored by the International Association of Voluntary Effort, Alberta’s Wild Rose Foundation, and Volunteer Canada. More than 2,800 delegates from all over the world were expected to attend, including 30 Canadian Airlines retirees and employees.
- Canadian is the official airline for the prestigious Peter F. Drucker National Awards for Canadian non-profit innovation.

A5.7 Strengths of the Program

A5.7.1 Clear Objectives Linked to Business Strategies

Community Investment strategies at Canadian Airlines are aligned with the restructuring plan of the company and with key operational goals. The three primary objectives of Canadian Airlines' Community Investment program are to:

- enhance the image of Canadian Airlines, its employees, and retirees in Canada's communities;
- effect tangible and measurable differences in Canada's communities through employee and retiree volunteerism and charitable giving; and
- create revenue opportunities for Canadian Airlines.

Results have been carefully monitored. For example:

- Community Investment staff measure public awareness and media coverage of Foundation activities. Their 1997 Executive Summary alone contained 50 local and national print articles.
- Employees and retirees raised more than \$600,000 in 1997, benefiting more than 500 charitable organizations across Canada. Additionally, they recorded more than 40,000 volunteer hours. Calculated at \$20/hour, this would represent in-kind donations of \$800,000, making a total charitable contribution of \$1.4 million dollars.
- Judicious distribution of designated airline tickets in 1997 is conservatively estimated to have generated revenues for Canadian Airlines of \$850,000. By building positive and supportive relationships with enterprises through the Small Business International Expansion Program, Canadian Airlines expects increased payback in the future. A 1997 award winner wrote:

Without question, my 1997 travel budget of \$50,000 will be switching from the competition to Canadian, and I look forward to travelling to many international destinations with your airline.

A5.7.2 Resourcefulness

Canadian Airlines has struggled with a less than rosy financial picture. In 1995, the Community Investment Program's annual operations budget was reduced to \$400,000 from \$500,000. The budget covers all salary, benefits, and administrative costs of the program.

Unlike most major corporations, Canadian Airlines does not have a cash donations budget. The uniqueness of their program is their ability to distribute complimentary airline tickets in a way that benefits the community and the company. Innovative community investment staff members build sustainable partnerships with community agencies and other business partners — such partnerships either pay for themselves or recover costs.

Effectively juggling a community investment model that includes community economic development strategies, sponsorships, charitable giving, a vast array of employee/retiree volunteerism projects, and an increasing number of requests for support is a constant balancing act. This is made particularly difficult given a low budget and small staff, and also given that as of June 30, 1998, Canadian Airlines experienced a 44 per cent increase in sponsorship requests (667 requests) and a 92 per cent increase in telephone inquiries (1,786 inquiries) over the previous year.

A5.7.3 Pride and Passion

The challenges of executing a corporate social vision statement while undergoing major restructuring, and the difficulties of leveraging and using multiple resources of people, products, and services *without a cash donation* budget, are great. Yet everyone contacted at Canadian Airlines exudes pride and passion for their involvement in community.

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Canadian Airlines Community Investment Program constantly demonstrates the old adage, “Where there’s a will, there’s a way.” For example:

- The company actively encourages and supports its people — employees, retirees, and their families — in volunteer and fund-raising activities.

- Canadian Airlines engages its customers and business partners in partnership projects that address community needs.
- The company uses a variety of communication media, including in-flight audio, video, and print materials to create awareness of important social issues such as breast cancer and sick children.
- Through those media, Canadian Airlines asks others to get involved, to give their frequent flyer points to charities that can use them, to give their foreign currency to help children around the world, and to get involved in the fight against breast cancer.
- They encourage the small businesses they work with in the International Expansion Program to be socially responsible companies and to get involved.
- They work at being a company that demonstrates leadership, and they show a commitment to growing new business leaders.

A5.8 Concluding Statement

Canadian Airlines President and CEO Kevin Benson provides the most eloquent summation of his company's community investment efforts. He says:

There have been dramatic ups and downs in the 10 years since 1987, but one constant has followed Canadian through our drive to evolve into a major international carrier — good corporate citizenship.

Avon Canada

A6.1 Company Profile

Avon is an international company, founded in 1886, with annual sales of beauty and related products of CDN \$6.7 billion worldwide. A total of 2.6 million independent representatives sell Avon in 135 countries. Every year, Avon representatives fill more than 650 million customer orders, generating more than \$2 billion in commissions.

Avon, with head offices located in New York, is the world's largest manufacturer of mass-market women's fragrances and beauty products, and one of the leading marketers of fashion jewelry. Avon was the first major North American cosmetics company to announce a permanent end to animal testing (1989). The company prints more than 600 million sales brochures annually in more than 12 languages.

The vision of the company is:

To be the company that best understands and satisfies the product, service, and self-fulfillment need of women — globally.

Avon Canada has been in existence since 1914, and is the largest direct-seller of beauty and related products in Canada. Based in Pointe-Claire, Quebec, Avon Canada employs approximately 1,100 full-time and part-time associates, and is represented by more than 60,000 independent sales dealers across the country.

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A6.2 Background

The parent company established the Avon Worldwide Fund for Women's Health in 1993. Since its inception, the fund has raised more than CDN \$70 million to educate women about health related issues. Avon founder David H. McConnell says, "We will honor the

responsibilities of corporate citizenship by contributing to the well-being of the society in which we function.”

Jim Preston, Avon’s current chairman and chief executive officer, says:

This idea of corporate citizenship was established by founder David McConnell as a guiding principle. This is not some fad for us. Our responsibility to society goes beyond just providing great products.

Now we don’t go around patting ourselves on the back. That’s not why we offer these programs. We do hope our good efforts result in recognition, goodwill and, ultimately, sales. So while some companies may sponsor such community programs for the publicity, we prefer to receive the recognition for serving the community. Why do we go to such lengths? Because if our customers are doing well, we’re doing well.¹

Every national market area of Avon adheres to these guiding principles, and all of Avon’s operations and facilities worldwide are encouraged to develop programs that address a leading local women’s health-related problem. Initiatives chosen by each market area vary. In Canada, the United States, Mexico, Venezuela, the Philippines, and the United Kingdom, breast cancer has been identified as the most pressing concern. Focus initiatives in other countries include AIDS in Thailand, elder care in Japan, and in Germany, emotional and financial support for mothers in need.

A6.3 Avon Canada Community Investment Strategy

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The majority of Avon’s Canadian customers are women, and Avon’s Canadian door-to-door product sales representatives are also women. As well, Canadian women have the second highest breast cancer rate in the world. These facts led to Avon Canada’s 1993 decision to support breast cancer research as its primary cause of choice and to initiate a cause marketing campaign called the “Avon Canada Flame Crusade Against Breast Cancer.”

¹ September/October, 1997 edition of *Outlook* (Avon’s worldwide publication for associates).

Avon designed the “Flame Crusade” to create awareness of breast cancer and raise significant funding for breast cancer research, prevention, treatment, and education. The company chose a cause marketing strategy for the following reasons:

- to differentiate the company from competitors;
- to identify the company with a social issue that was important to their customers;
- to support the company’s sales force and develop company pride; and
- to support a community initiative that the company and its representatives could use to generate substantial funds for an important community cause.

Avon Canada representatives across the country participated in a Day of Commitment before the “Flame Crusade” began. Community representatives came together to identify a project on which they could work together to support local charities. Although many communities had little difficulty finding a project, some didn’t know where to start.

Greg Power, manager of Corporate Communications at Avon Canada says:

Avon’s worldwide fund was created to focus charitable activities, and Avon’s Day of Commitment towards one universal cause — health. In Canada, we wanted a program that would publicly recognize Avon and its sales dealers as caring partners with women and the issues that concern them. We also wanted to strengthen the relationship between Avon and its sales dealers by enhancing the relationship with a pride-based program.

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Since Avon sales are based on relationship selling — women selling to women — and since according to statistics one in nine Canadian women will experience breast cancer in their lifetime, breast cancer research was a cause with which both customers and Avon representatives could identify. The involvement of Avon sales dealers was critical to the campaign’s success, so it was important that all the campaign’s elements complement each other.

A6.3.1 Primary Strategy Elements

The “Flame Crusade” strategy contained three primary elements, as described below.

Create the Product

Avon did not want to lower the profits the sales force made from regular products by allocating a portion of those profits to breast cancer. Instead, the company introduced a new, low production cost product that was unique, recognizable, appropriate, and affordable. Production costs would have to be covered by sales, with a minimum of 50 per cent of the product’s retail value allocated to the cause. Neither Avon nor the sales representatives would receive any profits from sales of this particular product, and Avon would absorb the campaign’s administrative and promotional costs.

Design the Offer

As Avon knew little about Canadian not-for-profit organizations doing work related to breast cancer, it looked for a partner. It needed the credibility of “experts” on the issue who could help direct funds responsibly and effectively. As a result, Avon chose to work with the Breast Cancer International Centre (BCIC), which was formed concurrently with Avon’s first campaign.

Plan the Communications

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Campaign communications had to address all audiences, be timely, and offer a consistent message. Avon wanted a long-term initiative — thus communications had to be ongoing and fully integrated into all aspects of the company’s marketing strategies. This integrated plan was geared to accomplish the following:

- Enlist management support and involvement in order to create internal commitment for the campaign.
- Appeal to customers by having a message that was easy to explain and that could be repeated often.
- Use the direct selling system, one of Avon’s strengths, to motivate representatives to support the campaign through sales.

- Develop an internal recognition and awards program to recognize and encourage sales.
- Engage the support of the not-for-profit community, Avon’s sales representatives, and, in order to leverage media support, the publishing industry.
- Design a creative advertising campaign, including public service announcements, to promote the product and build Avon’s corporate profile in the community.

A6.4 Results

The following is a summary of Avon’s “Flame Crusade” results.

- In 1993, the company launched the first “Flame Crusade” with its Flame Pin, which sold for \$2. Avon Canada ordered 200,000 pins — they sold out immediately and prompted the company to order an additional 100,000 pins. By the end of the first campaign year, Avon representatives had sold 625,000 pins.

Breast cancer organizations began phoning Avon to find out where pins could be purchased. However, they also began questioning some aspects of Avon’s campaign. For example, they wanted to know why Avon supported breast cancer research rather than the needs of individual cancer patients. Others in the breast cancer field expressed anger about the lack of consultation regarding needs that, in their opinion, were more critical than research.

Avon realized it had not done enough up-front partnership work, and set out to rectify the situation through dialogue with key breast cancer organizations across the country and by involving Avon representatives in a variety of organizations focused on the issue. As Avon employees became more involved in the community, negativity lessened, and the company quickly developed supportive relationships with several not-for-profit partners.

- Knowing that their customers thrive on novelty and innovation, Avon has subsequently designed several different cause-marketing products for the “Flame Crusade.” Avon has sold more than 2 million key rings and pens, as well as various adaptations

of the original pin. Prices have ranged from \$2 to \$4. Between 1993 and 1998, the company has raised \$4.2 million dollars, and is the major corporate contributor to breast cancer research in Canada.

Campaign revenues have increased each year, from \$625,000 in 1993 to just under \$1.1 million in 1997. As a result, Avon's sales force has tremendous pride in its achievement, and Avon is known across Canada for its commitment to women.

- Avon has engaged many of their suppliers who participate in the "True Partners in Caring" program. In support of Avon's campaign, they sell Flame merchandise to their employees and customers and often provide matching donations.
- Avon is represented on the BCIC Board. The BCIC volunteer Board of Directors works closely with the National Cancer Institute of Canada, the Corporate Fund for Breast Cancer, the Canadian Cancer Society, and the Canadian Breast Cancer Research Initiative (CBCRI). The CBCRI is a partnership among public, private, and the not-for-profit sectors, and pools funds raised for breast cancer research. Its advisory board determines disbursements to individual projects.

BCIC manages Avon's donations and forwards them to other Canadian groups, principally CBCRI, which receives about 95 per cent of the funds raised. CBCRI funds support 130 different projects in areas such as risk factor identification, mammography and alternate screening methods, cancer cell growth factors and molecular genetics, and quality of life issues for women living with breast cancer. The CBCRI forwards regular reports to Avon on research findings.

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- Avon works in partnership with several branches of the Canadian government that are represented on CBCRI's Board. Avon's Greg Power says:

The company's successful grassroots campaigns have received much praise in convincing the government how high a priority the general public wants them to place on the fight against breast cancer. The devotion of Avon sales dealers was a significant influence on Canada Health Minister Allan Rock's decision to commit \$45 million over five years to breast cancer on June 18, 1998.

A6.5 Supporting Activities

Avon Canada engages in several activities that support its involvement in breast cancer issues and research. The company:

- is a charter sponsor of the Canadian Breast Cancer Network, which helps women organize advocacy and support groups on a grassroots level across Canada;
- sponsors revision and reprinting of the 120-page handbook *What You Need To Know About Breast Cancer* written by breast cancer survivors. The book is widely considered the best available resource in Canada for women recently diagnosed with breast cancer. Avon Canada and its sales dealers have sold 30,000 copies at \$1 each since October, 1996. All proceeds go to reprinting and distribution;
- is a founding member of “Look Good...Feel Better,” a program of the Canadian Cosmetic, Toiletry and Fragrance Association dedicated to teaching people how to camouflage appearance-related side effects of cancer therapies and retain a positive self-image;
- recently provided funds to purchase an electronic publishing system to support the work of the First Nations Breast Cancer Society in getting out an urgent health message to aboriginal communities; and
- created additional awareness of breast cancer, with permission of the Canadian Cancer Society, through the publication of *Are you at higher risk for breast cancer? Here are 5 risk factors you should be aware of* as part of the promotional materials for the 1997-98 ad campaign for Avon’s new Circle of Hope pin. The promotional materials are available to sales representatives, employees, and customers, and are also part of Avon Canada’s web site: avon.ca

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A6.6 Additional Initiatives

Avon Canada’s annual donation budget is about \$100,000, and includes donations of products and cash. The company approves about 10 per cent of the 2,500 requests it receives each year. In 1997, substantial product donations were given to the Special Olympics, the Missing Kids Foundation, Camp Quality for kids with cancer,

and the Girls for the Cure school fundraiser for the Montreal General Hospital's breast clinic. About half of Avon's donation budget is directed to local initiatives in Pointe Claire, Quebec, where the majority of Avon employees work.

Other key sponsorships include:

- **Avon Running.** This is a series of 10K races and fitness walks held in countries where Avon markets its products. From 1978 to 1985, Avon sponsored the program worldwide to help women gain access to international running events previously closed to them. Avon believes the program acted as a catalyst that resulted in the inclusion of the women's marathon as an official Olympic event in 1984. Budget cutbacks ended the company's sponsorship in 1985.

In 1998, with a renewed emphasis on fitness and health, Avon returned to the world of women's running in 11 United States cities and 15 international market areas. The winner of each national championship receives a trip to the richest road race in women's running, the Global Women's Championship, planned for early 1999. The prize for that winner is \$50,000.

In partnership with three leading not-for-profit Toronto area running clubs (which received a portion of each entry fee) and the Running Room (a national chain of running and fitness stores), Avon Canada sponsored the Canadian event on July 5, 1998. The key message of Avon Running is encouragement for women of all ages to take the first steps towards a healthy lifestyle.

- **Big Brothers & Big Sisters.** Jointly, the programs run by Big Brothers & Big Sisters of Canada and the Big Sisters of Ontario have received over \$80,000 — with \$40,000 of that amount coming from sales of Avon's Women of Earth fragrance.
- **The Avon Scholarship.** This scholarship is open to all West Island of Montreal high school students. Each year, three winners receive annual tuition fees and a book allowance to attend any accredited Canadian university or college. In addition, when scholarship holders graduate, Avon awards a \$500 grant-in-aid to the high schools which they attended.

A6.7 Strengths of the Program

A6.7.1 Strong Integrated Communications Plan

The “Flame Crusade” campaign always coincides with Breast Cancer Awareness month in October. Avon Canada mounts a total of 18 campaigns a year, and produces more than 2 million brochures every three weeks for each one. Every brochure contains a Flame page promotion. Roberta Lacey, Director of Communications of Avon Canada, says:

We use every opportunity to do focused communications. For instance, when we do a special promotion for Mother’s Day, there is a noticeable increase in sales.

Individual sales representatives and success stories about the campaign are featured in the sales support literature. Major Canadian magazines, and to a lesser extent newspapers and radio stations, advertise the “Flame Crusade” as a public service. Avon estimates that the “Flame Crusade” program has generated almost \$750,000 worth of free advertising over the last four years. Avon now purchases some advertising to further promote the “Flame Crusade” and the fight against breast cancer.

Communication is vital to maintain the momentum of the program, and to enrich Avon’s message to customers and sales representatives. The program has an “arm’s length” relationship with the Marketing Department and runs independently of Marketing programs. An early key learning for the company was: *Don’t assume the world wants to promote your good deeds.*

A6.7.2 Commitment to the Cause

In the book *Social Marketing for Business*, the authors write:

According to media reports, Avon Canada took on the issue of breast cancer only to be met with stinging criticism surrounding the company's motives and priorities. Specifically, some non-profit organizations felt that Avon's focus was not appropriate, and that the company was not responding to the needs of breast cancer survivors. Avon did not sufficiently consider the issue marketplace it was entering; it didn't take into account the perspectives of other players.²

Five years ago, cause marketing was a new concept for Avon Canada. The company knew that breast cancer was a leading health problem for Canadian women, that it was a social issue important to their sales representatives and their customers, and that the company was committed to research as a key solution to the problem. Avon had also decided that it was in for the "long haul" — it had not initiated the program as a public relations exercise.

The company admits it did not do the necessary up-front work to identify and nurture potential partners in the cancer community before announcing its intent; that it was unaware of the politics of cause supporters. Avon now has employee involvement in many breast cancer organizations in Canada. The company credits its sales representatives with doing an outstanding job of generating millions of dollars for breast cancer research and increasing awareness of the disease. Because of this, Avon Canada has earned the trust and respect of the breast cancer movement.

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In the following years, Avon has risen in the esteem of the breast cancer community and earned the respect of earlier critics. On November 19, 1996, Avon Canada's sales representatives were awarded the first-ever Canadian Corporate Breast Cancer Advocacy Award – Corporate Level presented at the Canada-U.S. Breast Cancer Advocacy Conference.

² Sarner, Mark, and Janice Nathanson, 1996. *Social Marketing for Business*. Edited by Tim Hurson. Manifest Communications Inc.: Toronto.

A6.7.3 Belief in their People

When Avon Canada initiated their cause marketing program, it knew that one of the company's strengths was its direct selling system. As well, many Avon sales people have direct or indirect experience with breast cancer and the fear, pain, and isolation that accompany the disease.

Sale of Flame merchandise does not count toward award sales, and representatives make no commission on these sales. Yet the sales force goes out of its way to sell Flame products and customers have responded by purchasing more than 2 million Flame-related items to date.

Avon Canada honors top achievers in "Flame Crusades" on both division and district levels. The top division is recognized at the company's national sales conference, and the top 10 in the nation are recognized on a special honor roll in Avon's head office lobby. Top sellers receive commemorative plaques. The Governor General of Canada has also recognized their efforts.

On June 18, 1998, Canada Health Minister Allan Rock unveiled a landmark \$45 million strategy to fight breast cancer. The money, to be allocated over the next five years, will be targeted to scientific research and improved early detection through the Canadian Breast Cancer Initiative.

Avon Canada was the only corporation invited to share the podium at the minister's press conference. In a symbolic act of recognition, Rock was "pinned" with the Flame Circle of Hope Pin by one of Canada's leading Avon Sales Dealers.

A6.8 Concluding Statement

According to a 1997 United States-based cause-related marketing report, strategic cause-related marketing (CRM) is commonly used to increase employee morale and productivity. This appears to characterize Avon’s “Flame Crusade.”

The report says further:

At Cone Communications we believe that when a cause or social issue becomes the heart and soul of the company it has utilized **Passion Branding**, the most strategic and thoroughly integrated form of CRM. In these instances, all corporate decisions are based on a compelling corporate purpose that does not ebb and flow with profits. It is a distinctive marketing relationship and it works throughout the organization from top to bottom. Their values extend beyond sales and profits.³

The observation seems to reflect Avon’s commitment to make a recognizable difference in the fight against breast cancer.

³ *Cone/Roper Cause-Related Marketing Trends Report, 1997*. Cone Communications, Inc.: Boston.

Husky Injection Molding Systems Inc.

A7.1 The Company

Husky Injection Molding Systems Inc. (Husky), a privately-owned company, is the world's largest brand name supplier of injection molding systems for the plastic industry — these systems produce everything from bottle closures to car bumpers. Husky, which began in a Toronto garage in 1953, now employs more than 2,500 people worldwide, with customers in 70 countries and 1997 sales of US \$762 million. The company's corporate headquarters are located in Bolton, Ontario.

The company's mission is:

To make significant contributions to the success of Husky's customers.

Husky's statement of purpose is:

To be a role model of lasting business success based on core values.

Those core values are:

- make a contribution;
- take proactive environmental responsibility;
- drive to do things much better;
- have genuine care for all who are affected by what we do; and
- practice uncompromising honesty.

Husky prides itself on living its values. Owner and President Robert Schad says:

Until three years ago, my drive was to build the best models and machines. Today it is to build a company that lasts. Our values give us vision and purpose. We wish to be admired for these principles, which step beyond a profit motivation.

Husky is committed to life-long learning principles, a flexible and multi-skilled work force, and progressive and world-class employee services. The company's key manufacturing sites in Bolton, Ontario; Dudelange, Luxembourg; and Milton, Vermont are regarded as "campuses" that concentrate manufacturing activity and people in major locations.

In addition to being equipped with modern technology, the sites have incorporated a variety of employee services. For example, Husky focuses on educating and counselling employees to lead healthier lives. Cafeterias serve nutritious food. Fitness centres are open to Husky people and their families, and the Bolton campus has both a Child Development Centre and a Wellness Centre.

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Husky employees work in a team-centred environment. Office space is determined by function rather than position, and casual dress is the order of the day. Employees are not required to punch clocks, and people make their own change in the cafeteria.

Husky publicly states that the company will not engage in projects that compromise the environment, and strict environmental standards are maintained for energy efficiency and waste reduction. For example, aggressive recycling initiatives for cafeteria waste, batteries, wood, corrugated cardboard, and plastic have reduced the amount of landfill-bound waste by 85 per cent.

A7.2 Background

Husky dedicates five per cent of pretax profit — \$4.4 million dollars in 1998 — to charitable causes focused on environment, health, and education issues.

As is common in many private companies, Owner and President Robert Schad has been primarily responsible for determining where charitable donation dollars are allocated.

The Schad Foundation directs 80 per cent of Husky’s charitable budget to support of environmental projects. In 1997, the Foundation hired an executive director, and the Foundation is now becoming more formalized and broader based. Recommendations for environmental donations are made by the Schad Foundation who reports to a donations committee at Husky Bolton.

The remaining 20 per cent of charity-directed funds support local community and educational activities where Husky has operations. Funds are divided by headcount, and donations committees in each location allocate funds. In supporting communities in which the company operates, Husky selects activities that emphasize development of young people. The Foundation’s granting guidelines state:

In supporting education, we are striving to develop our future work force. Through scholarships and involvement in engineering and technology initiatives for youth, our goal is to develop awareness and access to programs in these areas as well as leadership. These initiatives are meant to focus on “team building” rather than individual success.

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A7.2.1 The Schad Foundation

The Schad Foundation’s *Statement of Purpose and Goals* says:

The Schad Foundation supports environmental projects which work to protect the diversity of the earth and foster a respect for all life. We believe that the most effective way to create lasting change is through education and seeking positive comprehensive solutions. We don’t fund just causes; we fund people who have the track record for getting things done while demonstrating compassion and strong core values.

The Schad Foundation annually funds more than two dozen key environmental organizations such as:

- the Canadian Nature Federation;
- the David Suzuki Foundation;
- the Jane Goodall Institute;
- the Sierra Club of Canada; and
- the World Wildlife Fund.

Foundation Executive Director Peter Kendall says environmental groups supported by the Foundation are professionally managed, and have a reputation for solid environmental work. Since Husky is committed to building strong relationships with the organizations it funds, grants are not necessarily project focused. For many of the organizations, needs are reviewed annually, and funding is determined through discussion.

Husky relies on the organizations it funds for advice and counsel in best environmental practices. The company is committed to programs that protect the environment and conserve natural resources. Such programs include:

- reducing solid waste generation;
- diverting waste from landfills;
- optimizing energy usage;
- naturalizing landscaping; and
- reducing hazardous solvents use.

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Since proactive environmental responsibility is a company core value, all aspects of environmental responsibility and standards are of keen interest. For example, Husky recently requested information about helping it identify paper companies who manufacture product from sustainable harvested forests. The Foundation has also asked for help in reviewing new funding applications received from environmental groups with which Husky currently has no relationships.

The Canadian College of Naturopathic Medicine (CCNM) offers Canada's only four-year graduate program in naturopathic medicine. Robert Schad is past chair of the college, and contributed to establishing it as a premier teaching institution for alternative medicine.

Because Husky workplaces encourage wellness that benefits the individual and the company, the onsite wellness team in Bolton includes not only a traditional medical doctor and nurse, but also a massage therapist, chiropractor, and naturopathic doctor. Affiliation with CCNM provides current information and education related to wellness-oriented therapies.

In 1997, the Schad Foundation decided to concentrate its funding solely on environmental issues. This decision follows the completion of their multi-year program advocating alternative health and final payment of their three-year, \$1 million pledge towards the purchase of the CCNM's new campus.

Although Husky does not have a formal employee volunteerism program, staff loan their expertise to projects as requested. The company's internal newsletter highlights projects with which the company and the Foundation are involved, and employees are invited to presentations about funded projects — the 140-seat meeting room for the presentations is usually filled.

A7.3 Current Projects

The Schad Foundation currently is involved with three long-term projects.

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A7.3.1 Moose Deer Point Project

The Moose Deer Point First Nation is located on 423 hectares in the Township of Georgian Bay, Ontario. The First Nation has 375 members, 122 of whom reside within reserve boundaries. The people of Moose Deer Point are Pottawatomi Indians. Current employment levels on the reserve are 65 to 70 per cent during spring and summer months, dropping to 30 to 35 per cent in fall and winter.

The Moose Deer Point Project is a partnership between the Moose Deer Point First Nation, Husky Injection Molding Systems Ltd., and the Schad Foundation. The project's main goal is to create a role model for sustainable development in native communities. The intention is to provide knowledge-based employment opportunities, which are marketable beyond the Moose Deer Point community.

The cornerstone of the project is the construction of an injection molding facility at Moose Deer Point. This facility will be an industry showcase demonstrating state-of-the-art technology and manufacturing automation and efficiency. Initially the facility will employ 30 people.

These workers will require a comprehensive training program, which will be developed jointly by the community, Husky, and other partners as required. The long-term intent of the project is to transfer facility ownership to the community. Schad Foundation Executive Director Peter Kendall says:

The Moose Deer Point Project is a partnership project dedicated to finding alternate solutions for native communities. This is an enormous commitment that will require years to accomplish. Top experts will be involved in helping the partners determine how best to redesign a community.

The intent of the project is to be profitable; however, not for Husky. Profits will be reinvested in the community. It will be a showcase for Husky in that it will be a highly advanced plant for injection systems and production. The real satisfaction, however, will be the development of a successful model for sustainability and the possibility for learning that can be used in other communities.

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The project prospectus, says the goals are to:

- enhance the quality of life in native communities;
- provide sustainable, knowledge-based employment opportunities marketable beyond the community;
- increase environmental standards in native communities;
- set a new standard for sustainable community development;
- identify competitive advantages for business to partner with native communities; and

- reduce or eliminate native communities' dependence on government funding.

The project requires long-term commitment to the development and execution of strategies for:

- economic and community development;
- increased educational levels in local schools and the development of programs to promote post-secondary education; and
- improvement of health standards related to diet, fitness, and alcohol and tobacco use.

Many meetings were held with the Moose Deer Point community before beginning this project, during which the partners developed clear parameters. They then held a referendum on whether to proceed or terminate the project. Ninety per cent of referendum respondents voted to proceed.

A7.3.2 The Spring Bear Hunt in Ontario

The Schad Foundation has adopted the bear as its logo. A recent report presented by the executive director to the Foundation's Board included the following statement:

The bear represents nature's barometer for the state of the environment. Sitting at the top of the food chain and requiring a large habitat, the bear serves as an indicator of the health and integrity of the ecosystem. If bears are present and healthy, chances are that the ecological processes "below" them are also in good shape.

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The Schad Foundation advocates and supports a campaign to end the spring bear hunt in Ontario. By working closely with the World Wildlife Fund, the Foundation initiated communication links with a variety of stakeholder groups, including both conservation groups and hunting organizations.

The Foundation executed a broad-based communications strategy for informing the public of inappropriate bear hunting practices and outcomes. For example, the Ontario Ministry of Natural Resources acknowledges that approximately one-third of the 4,000 bears killed during the hunt is female. Their deaths mean that hundreds of newborn cubs are left without protection to die of starvation or predation.

Polling data indicates that 60 per cent of hunters and 70 per cent of Ontario residents support efforts to reduce or eliminate the spring bear hunt, and the Schad Foundation is involved in helping make this happen.

A7.3.3 Wildlife Associates

Wildlife Associates is a not-for-profit group of professional educators, naturalists, and wildlife specialists. The group is located in San Francisco, California, and is dedicated to caring for wildlife and educating youth to meet environmental challenges.

Since 1980, 6 million students have participated in Wildlife Associate's live animal assembly programs. The animal "ambassadors" that are part of the assembly program are animals that have come under the care of Wildlife Associates because they were injured in the wild or for some reason could not survive on their own. These animals stay with Wildlife Associates for their lifetimes. The assembly program seeks to expose young people to a variety of wildlife while teaching environmental respect and responsibility.

Foundation grants, individual donors, and program income are the primary funding sources for Wildlife Associates' annual budget of about \$500,000.

The Schad Foundation has made a long-term commitment to partner with Wildlife Associates to help develop sustainable resources for the San Francisco program, as well as evolve a strategy for creating satellite programs in other communities. The partnership's first step was purchasing property and carrying out initial planning necessary for building a new program facility.

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Husky loaned management and legal expertise to help Wildlife Associates in these first stages. The Schad Foundation committed \$2 million for capital expenditures. A fund development strategy is currently being developed, and, with additional funding from Husky, a grant proposal specialist has been hired.

Wildlife Associates Executive Director Steve Karlin says:

Many funders see a nice proposal and write the cheque. Husky and The Schad Foundation really get involved. They have incredible business savvy and have helped us assess where we are in terms of

business and administrative practice. This partnership is like “the dream come true.” The Foundation is sincerely interested in what will best help our organization and what will, at the same time, make the planet better.

In his May, 1998 report to the Schad Foundation Board, Peter Kendall writes:

Our support of Wildlife Associates is consistent with our goal of change through education. Through increased program offerings and corporate sponsorship, we believe Wildlife Associates has the potential for commercial self-sustainability and can serve as a role model for other non-profit organizations. By providing funding and assistance with program development and management, we hope to build a model educational program that can be brought to millions of children around North America and the world.

A7.4 Strengths of the Program

A7.4.1 Alignment with Core Business Values

A core company value is proactive environmental responsibility, and Husky has built strong relationships with many environmental organizations. Interaction with the organizations they support offers many opportunities to build expertise in an area that is important to the company.

Husky supports environmental initiatives and in turn uses the expertise of the organizations they support to forward the company’s strategic dedication to excellence in this area. *The Financial Post* newspaper and *Fortune* magazine often cite Husky as one of the best companies to work for in Canada. Its community investment strategies reinforce and support a value that it lives daily, one reflected in its workplace and in its support of larger environmental issues.

A7.4.2 Big Hairy Audacious Goals

Husky does not enter partnerships in small ways. Robert Schad advocates a company that is built to last. In their book *Built to Last*, authors James Collins and Jerry Porras say there is a difference between a company having a goal and a company taking on “daunting challenges.”¹ Husky, the Schad Foundation, and Robert Schad himself have made major financial and time commitments to Husky’s three current projects.

- Husky is not just interested in bears. It wants to be part of a collective that ends the spring bear hunt in Ontario.
- Husky wants to fund more than a First Nations’ initiative at Georgian Bay. It wants to work in partnership with an entire community to develop a potential model for enterprise that could, if successful, be replicated elsewhere.

This project will involve years of work and dozens of partnerships. It requires changing behaviors and opinions, and has the potential to create completely new thinking on how to nurture sustainable resources in First Nation communities across the country.

- Husky wants to fund more than a Wildlife Associates program that helps injured animals. It wants to create satellite educational programs to teach children that they can make a difference in protecting the earth’s ecological systems. It wants to foster a self-sustainable organization that can be a prototype for other not-for-profits interested in self-sufficiency.

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These are definitely “Big Hairy Audacious Goals”!

¹ Collins, James C., and Jerry I. Porras, 1994. *Built to Last*. Harper Business: New York, NY, p.84

A7.4.3 Long-Term Commitment

Husky is a private company, and like most private companies, its community investment strategy is at the discretion of the owner. The difference with this company is Robert Schad's passion for supporting proactive projects that bring comprehensive and positive solutions to environmental problems.

Schad believes that companies with strong values are more successful in the long term, and that if a company does the right things, profits will come. He also believes in long-term commitment to effect change.

A7.5 Concluding Statement

Husky enters into partnerships and key projects in a big way and for the long term. Change requires time and resources — Husky and the Schad Foundation commit both.

Note: Husky Injection Molding Systems Inc. became a public company on November 9, 1998.

Woody's on Church

A8.1 Company Profile

Woody's on Church (Woody's) is one of the most popular bars on Church Street in downtown Toronto. In 1998, Woody's was voted the "Best Neighborhood Bar" by readers of *Xtra! Magazine*, *NOW Magazine*, *Eye Magazine*, and *Toronto Life*.

Woody's employs 40 full-time and part-time staff, and can accommodate up to 500 customers. Woody's is well-known as a gay bar. It is also well-known for its strong commitment to the community.

A8.2 Background

When Alek Korn, the owner of Woody's, opened his bar nine years ago, he wanted to create a place where community groups felt welcome — where they could fundraise *and* have fun.

When Bar Manager Dean Odorico was hired, he was aware of this mandate, and knew that Woody's would match, dollar for dollar, any funds for charitable causes raised in the bar. That commitment has not changed in nine years.

While Odorico has lots of autonomy in deciding which charities to support, Odorico and Korn meet once a month to catch up on what events and activities are planned. Odorico hires staff who can support the community concept and the bar's dedication to grassroots fundraising.

A8.3 Levels of Involvement

Despite having no formalized community investment policies or guidelines, Woody's is involved in the community on many levels. For example, the bar hosts one major fundraising/promotional event a week. This may be:

- a grassroots fundraiser for the neighbourhood food bank or local community centre;
- a special evening to promote ticket sales and awareness for upcoming fundraising events in the Toronto area (*e.g.*, Dancers for Life, Fashion Cares);
- an event focused on getting customers involved in community activities like the annual Aids Walk; or
- a raffle or auction.

Odorico says, "If a group approaches us with an idea, is prepared to be involved, is enthused and excited, we will try to be accommodating."

Odorico works closely with each not-for-profit organization to help add creative elements that will appeal to staff and bar patrons. Events might include some entertainment or a contest, and they are always fun. Odorico says they involve lots of work, for both the not-for-profit group and for himself and his staff. He says that if events are not planned and implemented as joint efforts, they just don't work.

Woody's promotes upcoming events in its regular advertising, and encourages not-for-profits to do the same.

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A8.4 Partnership with ACT

Woody's supports various organizations in their efforts to raise funds and create awareness, but its primary support is focused on HIV/AIDS-related initiatives. The AIDS Committee of Toronto (ACT) has had a long-standing partnership with the bar, and has been involved in many collaborative initiatives to help stop the spread of HIV/AIDS.

A8.4.1 History of ACT

ACT, founded in 1983, is one of Canada's oldest and largest providers of services to men and women infected and affected by HIV/AIDS.

ACT is a community-based, not-for-profit, charitable organization that provides health promotion, support, education, and advocacy to people living with, and those affected by, HIV/AIDS.

ACT has a full-time staff of 30 people and more than 600 volunteers. The organization:

- provides a wide range of services free of charge;
- offers regular workshops and training on a variety of AIDS-related subjects;
- offers counselling services;
- has the largest publicly accessible AIDS library in North America; and
- is dedicated to HIV/AIDS prevention and education.

A8.4.2 Major ACT Events

ACT organizes three major annual events to raise funds to fight AIDS:

- **AIDS Walk Toronto.** This is the largest AIDS fundraising event in Canada. In 1997, more than 18,000 people participated, and donations were collected from more than 40,000 contributors. Over the past eight years, more than \$4.5 million has been raised.
- **Dancers for Life.** This is a 10-year-old gala event that has raised nearly \$1 million since 1988. Dancers for Life, a major event in Toronto's annual dance calendar, has strong support from Canada's dance community.
- **Fashion Cares.** This is an annual theme fashion event that has raised more than \$1.5 million since 1987.

All of the above events have substantial corporate support. Increasing that support has not been easy for ACT. Initially, corporate sponsors turned away from associating their names and

products with what was considered a “sensitive” and unpopular issue. In the “1987-1995 Fashion Cares Retrospective,” the *Globe & Mail* (1990) reports that “...aids-related events are still what’s known in charity circles as a hard sell.”

A8.4.3 Commitment to Education

Over the years, good fundraising practice, skilled staff and volunteers, and absolute commitment to educating the public and business sectors on the fact that HIV/AIDS is a community issue not a homosexual issue has earned ACT respect and grown supporters. In ACT’s summer newsletter, 1997 the organization’s fund development department says,

Partnerships are crucial to ACT — without long standing corporate partners, new partners, evolving partnerships with community organizations and with individual donors, many who have been with us for years, ACT would simply not be able to deliver its programs and services.

In that same publication, Woody’s on Church is listed as both a benefactor of “Fashion Cares” and as a “Community Partner.” They are included in an impressive roster that includes corporations such as Molson’s, M.A.C. Cosmetics, Air Canada, Holt Renfrew, Glaxo Wellcome, and literally hundreds of other small and large businesses.

A8.4.4 Woody’s and ACT

So, what makes Woody’s so special? According to Ann Rosenfield, Director of Development for ACT, it’s

. . . the depth of the partnership. Woody’s has been a vital and significant partner in helping stop the spread of HIV/AIDS through a host of collaborative measures including education and outreach efforts inside Woody’s bar.

- For more than five years, one night a month the staff donates their tips to ACT with Woody’s management matching their contribution. To date, Woody’s has raised more than \$100,000 for education, health promotion, and direct services for HIV/AIDS. Again, to quote Ann Rosenfield, “This is an extraordinary level of generosity for a small neighbourhood bar.”

- Woody’s, in collaboration with volunteers for ACT’s Gay Men’s Health Promotion program, have been providing information about HIV transmission and prevention regularly since 1988.

In addition to several outreach events a year, on Valentine’s Day, 1998, Woody’s launched a Gay Men’s Relationship Campaign with the theme of the evening, “The Dating Game.” Woody’s knows its customers, and with information from ACT has the ability to deliver health education in funny, sexy, and engaging ways.

ACT representatives say Woody’s bar has helped their organization substantially in outreach efforts to provide education on safer sex practices. Furthermore, while not quantifiable, Woody’s dedication to health promotion appears to be a significant contributor to the steady decline of infection rates among gay men in Toronto.

- Woody’s is a major financial supporter for “Fashion Cares” — \$25,000 per year — and Odorico has served as the chair for “Fashion Cares” bar promotion parties for the past two years.

Related bar fundraisers raised over \$20,000 in 1997, with numerous bars participating. In addition to encouraging satellite fundraising in other bar sites, every year Woody’s sponsors three fundraiser promotion parties for to help with ticket sales and raise awareness about the event. Entertainers volunteer their time, and raffle tickets are sold with tickets to the event as the prize.

- Woody’s promotes Dancers for Life, the Toronto AIDS Walk, and National Pride Week through a variety of promotional events.

A8.5 Strengths of the Program

A8.5.1 Knowing Your Customers

Woody’s management believes that what’s good for their customers is good for their business. Since Woody’s is recognized as a gay bar; it has a particular culture. Many of its patrons are professionals who make a good wage and are generous. They buy tickets and go to events. HIV/AIDS is a community issue they identify with. There is, therefore, a natural alignment between customer concerns and the community investment initiatives that Woody’s undertakes.

Woody's commitment to ACT and HIV/AIDS prevention and education has been mutually beneficial for the bar, as has its commitment to organizations that work in the surrounding neighborhood. Woody's is one of the top four bars in Toronto for volume of beer sales and according to Odorico, Woody's is up against "some pretty heavy hitters."

A8.5.2 Creativity

Many donors complain about being bombarded with requests to support a myriad of charitable activities. Donor fatigue is an issue that fundraisers everywhere talk about constantly.

At Woody's on Church, however, patrons, approached weekly, respond positively and generously every time. Donor fatigue does not seem to be a problem at Woody's because each event it organizes with its not-for-profit partners is an event unto itself. Considerable time and energy is spent making each one special by adding creative elements that will engage and entertain bar customers. It's clearly a winning combination.

A8.5.3 Thinking Big

There is a tendency in people's thinking to relate community investment to major corporations only. Woody's on Church, however, is not a huge corporation, yet it has never thought small. As a result, it has fostered a variety of partnerships that have generated substantial revenue for, and increased awareness of, many different community organizations.

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Woody's focuses on HIV/AIDS as its primary cause of choice. It works pretty much on a daily basis with the AIDS Committee of Toronto as its charity of choice. And it effectively combines its fundraising efforts with extensive and significant outreach education and health promotion. Odorico says:

No matter how big you are, you can make a difference. We were at one time very small, but we did our part. It's paid off for everyone. We've grown and grown, and now we're a much bigger bar. We've also done a lot of good along the way.

A8.6 Concluding Statement

Woody's on Church received an honorable mention as one of *Imagine*'s 1998 "New Spirit of Community" Partnership Award winners. The awards, co-sponsored by the *Globe & Mail*, recognize and showcase leading examples of business/community partnerships which creatively provide services to those in need, and which help ensure the social and cultural vitality of Canadian communities. *Imagine* is an initiative of the Canadian Centre for Philanthropy; it promotes corporate and public giving, volunteering, and community support.

Canadian Pacific Hotels

A9.1 Company Profile

Canadian Pacific Hotels, the largest owner-operated hotel company in Canada, operates 34 distinctive properties in Canada, the United States, Mexico, Bermuda, and Barbados. The corporation represents one of the largest collections of landmark, heritage hotels in the world, with a total room capacity of approximately 15,200 rooms and more than 15,000 employees. The company's values include:

- guest loyalty;
- technological innovation;
- environmental stewardship;
- service excellence; and
- community involvement.

Chairman and Chief Executive Officer William R. Fatt, in the company's 1997 Annual Report, says:

We remain convinced that a service oriented, skilled workforce is our greatest asset, for it is through the actions of dedicated employees that we will earn the long-term loyalty of our guests.

Canadian Pacific Hotels Corporation is owned by Canadian Pacific Limited (Canadian Pacific) — a group of businesses that includes Canadian Pacific Limited, Canadian Pacific Railway, Fording Inc., PanCanadian Petroleum, Canadian Pacific Hotels, and Canadian Pacific Ships. Canadian Pacific has more than 30,000 employees across Canada.

The core businesses of Canadian Pacific are energy, transportation, and hotels. In 1997, Canadian Pacific Limited adopted a new corporate signature — the first change in visual identity in 30 years. The signature is meant to reflect the vitality and strengths of Canadian Pacific’s businesses and people, and provide a symbol that projects global involvement, focus, and leadership.

A9.2 Background

Up until 1994, Canadian Pacific Limited reacted to requests for support from the community. In 1994, the Canadian Pacific Charitable Foundation was established to:

- promote corporate social responsibility within Canadian Pacific Limited and its family of companies; and
- promote corporate social responsibility in communities where Canadian Pacific and its member companies operate.

The national community support program of the Foundation represents all of the Canadian Pacific businesses except for PanCanadian Petroleum. While PanCanadian handles its own community investment program, the company regularly liaises with the Foundation. The subsidiaries of Canadian Pacific have access to funding support from the Foundation for specific causes, and each subsidiary is encouraged to initiate and develop programs that add value to the communities where they work.

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The Foundation gives in six categories:

- education
- civic and community
- culture and the arts
- health and hospitals
- social services
- youth development.

In 1997, the Foundation contributed more than \$4.5 million to charitable groups across Canada. Employee involvement is one of the criteria used for determining where funds are allocated. The Foundation supports the Centre for Philanthropy's *Imagine* program and adheres to its "Caring Company" formula of giving a minimum of one per cent of pre-tax profits to charitable organizations in Canada.

Each company within Canadian Pacific's group of companies has a budget, based on their workplace location per capita, for community investment initiatives, and each provides a representative to liaise with the Foundation. Local requests are forwarded to local representatives, and proceed only with recommendations for support from those representatives.

Canadian Pacific Hotels across Canada have long been supporters of community initiatives. The company generously supports a variety of local fundraising events, conferences and seminars, as well as United Way Campaigns.

Most run "Room at the Inn" — or as is the case with resort hotels — "Room with a View" programs. Under these programs, identified by local hospital/hospice groups partnered with each hotel, short-term accommodation is offered free to family members with hospitalized loved ones who otherwise would not be able to afford a visit or to needy patients who require a short reprieve from a lengthy hospital stay.

Many of the hotels have for years donated soaps, shampoos, and food to local drop-in shelters and youth programs. In times of crisis, such as during the 1997 ice storms in Eastern Canada and the recent floods in Manitoba, Canadian Pacific Hotels have offered complimentary or discounted rooms, food, cash, blankets, and personal supplies.

Hotel employees have hosted benefits to raise relief funds and have given assistance related to a variety of urgent community needs. Usually these efforts have supported local initiatives or have been implemented to support the efforts of other Canadian Pacific hotels.

A9.3 Canadian Pacific Hotels Adopt-a-Shelter Program

On Mother's Day, May 5, 1997, Canadian Pacific Hotels joined together to introduce a first-of-its-kind national program — the Adopt-a-Shelter Program. Each of Canadian Pacific Hotels' 26 Canadian properties partner with one or more shelters.

The program was initiated by Ann Layton, vice-president Public Affairs and Communications for Canadian Pacific Hotels. After visiting the warehouse of the Royal York Hotel in Toronto hoping to find a piece of old carpet for her basement, Layton found rooms filled with beds, linens, small appliances, and dishes — literally piles of materials no longer usable in the hotel's guest rooms. Recognizing that there were many needs in the community, and several organizations that could put the storage items to good use, Layton suggested that the company find a way to offer the items to shelters and second-stage housing projects.

Once Canadian Pacific Hotels made the decision to act on Layton's suggestion, public relations staff sought help in determining how to best develop an action plan and how to best connect their hotels across the country with local women's shelters. Canadian Pacific Hotels was referred to the Canadian Women's Foundation.

The Canadian Women's Foundation (CWF) is Canada's only national public foundation dedicated to improving the lives of women and girls through economic and social change. CWF has been operating since 1989, has considerable expertise on the issue of violence against women, and has a network and database of women's groups in every province and territory in Canada. The Foundation is committed to increasing the resources available for women, through projects that are important to women.

CWF worked with the staff of Canadian Pacific Hotels to:

- develop criteria for each hotel to use in selecting a shelter;
- prescreen shelters to locate those in or near communities where Canadian Pacific Hotels were located;

- provide education about shelter programs and domestic violence so staff would know what questions to ask;
- sensitize Canadian Pacific Hotels staff regarding confidentiality issues they would have to deal with in their work with shelters;
- encourage Canadian Pacific Hotels to look at a broad range of extended possibilities for the program that went beyond the donation of goods; and
- suggest that in addition to providing immediate help for shelters and second-stage housing programs, the Canadian Pacific Hotels consider a separate corporate investment to address systemic issues in the area of violence against women.

Criteria for partnership were based on:

- the local needs of each shelter;
- proximity to a Canadian Pacific Hotel;
- the reputation and longevity of the shelter; and
- diversity and the willingness to be a partner.

For a minimum period of three years, Canadian Pacific Hotels would provide each shelter, or second-stage housing affiliated with the shelter, goods — such as sheets, towels, lamps, beds, dressers, dishes, or curtains — that would no longer be used in guest rooms.

After the idea was approved, a time line developed and criteria established, shelters approached readily agreed to partnerships. Canadian Pacific Hotels came up with a budget to produce related communications materials, create a program logo, press kits, posters, and invitations to launch programs in every Canadian Pacific Hotel in Canada on May 5, 1997.

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A9.4 Results of the Program

Canadian Pacific Hotels across Canada have embraced the Adopt-a-Shelter Program with enthusiasm and creativity. Employees are getting involved at several levels, and each partnership has grown

based on the needs of the women and children who access shelter services in the communities involved. Here are just a few examples of the activity across the country both corporately and locally.

- The Canadian Pacific Charitable Foundation, in support of Canadian Pacific Hotel employee efforts with the Adopt-a-Shelter Program and their concern for the issue of domestic violence, donated \$165,000 over three years to the Canadian Women's Foundation. From these funds, the CWF will administer the newly-established Canadian Pacific Violence Prevention Fund to support violence prevention, counselling, and educational programs.
- The Hotel Macdonald in Edmonton, Alberta launched the Adopt-a-Shelter Program with four themes to inspire women beginning new lives. The four themes are: Changing, Learning, Growing, and Donated Goods.
- The employees of the Empress Hotel in Victoria, British Columbia held a giant garage sale that raised more than \$8,000 for the Victoria Women's Transition House.
- Employees at the Hotel Beausejour in Moncton, New Brunswick collect furniture and linens from the hotel and perishable foods from their own kitchens for the Crossroads for Women Shelter. At Christmas, employees collected a sleigh full of gifts for the women and children of their adopted shelter.
- The Royal York Hotel in Toronto, Ontario is partnered with the Emily Stowe Shelter for Women. In addition to goods, employees donate their time in a variety of ways. The Human Resource Department offers career counselling seminars, the Accounting Department helps women in transition develop budgets, and the Maintenance Department helps with ongoing repairs needed at the shelter.
- The Sky Dome Hotel (Toronto, Ontario) entered into a partnership with Interval House, Canada's first shelter for abused women and their children. Sky Dome Hotel provides "new start" kits for ex-residents transitioning to new homes. The "new start" kits include furniture, beds, linens, towels, and other items donated from both the hotel and its employees.

The Sky Dome also hosted a benefit performance of the hit comedy show, "She's So Funny," for Interval House on its 25th anniversary. The Women's Television Network (WTN)

co-sponsored the event, and televised the program. Home viewers made donations through a 1-800 number to the Canadian Pacific Violence Prevention Fund, which will benefit Canadian shelters. The event netted \$15,000 for Interval House and raised an additional \$3,500 for the Violence Prevention Fund.

- Employees of Canadian Pacific Hotels across Canada sponsor and serve holiday dinners for mothers and their children. Several of the resort hotels have invited residents to share in their holiday activities and spa facilities.
- Hotel Vancouver, in Vancouver, British Columbia, raised \$400 to buy the women of Powell Place Shelter “fare-saver transit coupons” to use on their daily travels. The hotel also provides gift baskets that include bathrobes, cosmetics, soaps, and other items for the shelter’s women.
- When the emergency shelter in Calgary, Alberta was destroyed by fire, all the Canadian Pacific hotels in the region rallied to help put the pieces back together. In addition, the Canadian Pacific Charitable Foundation—within hours of hearing of the crisis—wrote a cheque for \$25,000.
- Hotel Halifax in Halifax, Nova Scotia and the Royal York in Toronto, Ontario collect and dry-clean suits and dresses and make them available to their adopted shelters. Often, women arrive with only what they have on their backs and need clothing immediately.
- Hotel Halifax offers cooking classes, employment skills development, pool times, and cleaning services to Byrnonee House, their adopted shelter.

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A9.5 Strengths of the Program

A9.5.1 A Bottom-Up Initiative

The Canadian Pacific Hotel Adopt-a-Shelter Program was an employee initiative — not a management initiative — that began when Ann Layton recognized that all Canadian Pacific Hotels in Canada had used goods sitting in storage serving no use. Layton also recognized that with 11,000 hotel rooms in Canada and the need

to constantly upgrade and renovate on a regular basis, those goods were a renewable resource that could benefit the community in some way. Aligning that resource to the needs of women and children fleeing from abusive situations seemed a natural fit.

With 26 hotels across Canada that value their autonomy, and 10,000 employees, it took considerable time to develop and implement a strategy that would create both excitement and long-term commitment to the program. According to public relations staff, once the program was launched the ideas for involvement came “fast and furious.”

Employees didn’t want to just do a spring-cleaning and pass on used materials to the shelters with which they would be partnered. They wanted to get involved personally. Cooks are loaning their expertise to teach women how to create nutritious meals on a low budget. Maintenance staff are volunteering to help the shelters and women in second-stage housing programs by providing plumbing, heating, and general carpentry services. Special events departments in many of the hotels are including in their holiday celebrations women and children staying at the partner shelters. Sales and marketing departments are staging fundraisers.

Groups of employees across the country are adopting families, painting rooms in shelters, and building decks and playgrounds. Maureen Mix, Director of Human Resources at Hotel Halifax, made an observation about her hotel that represents the company-wide attitude:

I have never seen such overwhelming and unconditional response for a good cause.¹

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A9.5.2 A Partnership Model

Once Canadian Pacific Hotels identified the project idea, it sought community expertise to confirm community need, to learn more about the issue of domestic violence, and to determine how best to proceed with the development of the project concept.

As mentioned earlier in this case study, the Canadian Women’s Foundation assisted Canadian Pacific Hotels in developing criteria for partnering with local shelters and second-stage housing

¹ Mix, Maureen, 1998. *Dialogue*, The Canadian Pacific Hotels Employee Newsletter, Spring.

programs, and connected them with shelter programs in communities where they had hotels. Foundation Executive Director Beverly Wybrow encouraged them to expand the program concept to address not only short-term, day-to-day shelter needs but also long-term, systemic needs.

In each community in Canada where there is a Canadian Pacific Hotel, local shelters and second-stage housing programs were approached and enthusiastically agreed to partner with a hotel. One representative at each hotel meets regularly with a shelter representative and together they compile a “wish list” that each hotel works at accommodating.

Employees from all over Canada are now involved with the program, and the opportunities for interaction with each adopted shelter are limited only by the imagination of the employees involved and that of the shelters with whom they partner.

Sue Arlington, Transition House development officer in Victoria, British Columbia said:

Not having to spend money replacing furniture means funds can go directly for programs. For the shelter, the partnership is beyond our wildest dreams.²

According to Mario Siciliano, director of Administration for the Calgary YWCA Sheriff King Family Support Centre:

The relationship is as good as I could dream it to be. We are not in a position to do much to promote the partnership as we have enough trouble just handling the demands and stress of our day to day work. Our hotel partners — the Palliser and the Calgary Airport Hotel — seem to understand that. As a result, their involvement has a psychological effect on everyone at the shelter. They offer a touch of extra that makes a crisis stay for our clients a little more bearable, and they have helped staff do our work rather than adding to it.

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A9.5.3 Top-Down Support

Every Canadian Pacific Hotel manager supported the program concept, identified a representative who would work with each shelter, and organized a same-day launch program to kick off the

² Arlington, Sue, 1997. *Victoria Times Colonist*, May 6.

national initiative. Each Canadian Pacific Hotel has a “service plus” committee made up of between 12 and 15 employees who organize and promote the program internally. *Dialogue*, the Canadian Pacific Hotels employee newsletter, actively promotes the program, and recognizes group efforts and individual employees who have contributed to the program’s success.

The parent company, through the Canadian Pacific Charitable Foundation, established the Canadian Pacific Violence Prevention Program. This was done by means of a \$150,000 donation to help address longer-term issues that impact domestic violence. The program is represented on the Allocations Committee of the Canadian Women’s Foundation’s Violence Prevention Grant Program.

Sheila Carruthers, donations officer, Canadian Pacific Charitable Foundation, believes that employee initiatives at Canadian Pacific Hotels are strategically aligned with business endeavors and are encouraged have a ripple effect. According to Carruthers,

This is about more than giving dollars. The positive impact on community, on our employees and on the corporation as a whole is incredible.

A9.6 Concluding Statement

Canadian Pacific Hotels has received many information requests regarding the Adopt-a-Shelter Program, from shelters and from hotels in communities where Canadian Pacific Hotels have no presence. To encourage expansion of the program’s concept, they have created a package of information about the program, which they share with those who express interest in the concept.

TELUS Corporation

A10.1 Company Profile

TELUS Corporation (TELUS) is Canada's third largest telecommunications company, with 9,400 employees and assets of \$4 billion. Established in 1990 following the reorganization of the Alberta Government Telephones Commission, the corporation was fully privatized in 1991 when the Province of Alberta sold its remaining ownership interest in the company.

TELUS is a widely-held public company with more than 100,000 shareholders. The company provides voice, data and video telecommunications, cellular, paging, white and Yellow Pages directories, and combined telephone/cable television services.

The vision of TELUS Corporation is:

helping people through effortless communication.

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The aim of TELUS is:

to be recognized as the premier communications company in the world.

TELUS has four principle statements:

- enriching lives by pioneering the use of friendly technology and services that enhance the lives of those we serve;
- taking responsibility for ensuring quality and excellence in products, services and business relationships;

- creating value for people who invest in TELUS with their time, energy, money, and trust; and
- working together and believing that teamwork is the magic that leads to success.

TELUS principles are supported by five key strategies:

- excellent customer service;
- a great place to work;
- we're all one (the whole of the TELUS group of companies is greater than the sum of its parts);
- continuous improvement; and
- growth.

A10.2 Background

Until the full privatization of TELUS in 1991, corporate philanthropy was reactive and was carried out with an annual budget of about \$500,000. In 1989 and 1990, community relations staff began looking for new knowledge and exploring new thinking around strategic and focused philanthropy.

The corporate profile of the company was changing dramatically, donation requests and budgets were increasing, and there was a strong interest in supporting employees in their volunteer efforts in the community. Information gleaned from the Points of Light Foundation in the United States, and the Institute of Donations and Public Affairs Research (now the Council on Business in the Community and part of the Conference Board of Canada), supported the company's interest in stepping back and reviewing its existing contribution program.

From 1989 to 1997, many new initiatives and strategies were implemented. By 1997, TELUS's community involvement budget was more than \$7 million — an increase of \$6.5 million in less than 10 years.

TELUS is an *Imagine* caring company, and adheres to the Centre for Philanthropy's *Imagine* program formula of giving a minimum of one per cent of pre-tax profits annually to charitable organizations in Canada.

A10.3 TELUS Community Investment Strategy

A10.3.1 Employee Volunteerism: A First Step

In 1990, TELUS (then Alberta Government Telephones — AGT) enlisted the help of a cross-functional team of employees from all seven regions in Alberta and established an internal Advisory Committee. With this committee, the company began the process of designing and implementing an employee volunteerism program.

Representatives from the Human Resources and Marketing Departments, company unions, regional and subsidiary companies, and the Telephone Pioneers of America (Pioneers) made up the team.

Telephone Pioneers of America

The Telephone Pioneers of America was founded in 1911 and is the world's largest industry-related service organization in the world. Pioneers has almost a million members in more than 100 chapters in the United States and Canada who, in the early 1990s, traditionally joined the organization at retirement or after 15 years or more of telecommunication company employment.

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Pioneers everywhere are committed to three objectives:

- fellowship;
- loyalty; and
- service to the community.

Alberta became a chapter of Pioneers in 1935. TELUS, and previously AGT, have long been supporters of volunteerism through the provincial Pioneer program. The company has provided dedicated staff and funding to offer support, leadership, and program continuity.

In 1990, Pioneers was not open to most employees. The employee volunteerism initiative that the AGT advisory committee had been mandated to create targeted employees across the province who did not at that time qualify for Pioneer status. Ideally, whatever concept of volunteerism evolved, it was crucial that it complement and continue to support the existing Pioneers program.

10.3.2 The EXTENSION Program

The Advisory Committee worked for a full year to develop an employee volunteer program and to develop leadership and support for the program in their regions. Each of the seven regions established committees, and in 1991, “EXTENSION” — AGT’s Volunteer Network — was launched.

Thousands of employees and their families took part in the launch by initiating or attending special “kick-off” projects across Alberta. For example:

- In Grande Prairie, 14 volunteers organized a community family carnival that had more than 1,000 attendees.
- In Red Deer, 28 employees and their families organized a fix-up project at a women’s shelter.
- In Calgary, 400 employees and their families collected more than 300 bags of garbage in a clean-up of Fish Creek Provincial Park, an area that includes large tracts of natural spaces.
- In Edmonton, volunteers planned an agency fair. More than 2,000 employees visited the booths and learned more about local community needs and the EXTENSION program.

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Following the launch, the seven regional committees administered the network, and the committee chairs became the provincial council responsible for setting common procedures, project criteria, and overall goals for EXTENSION.

AGT started work with Volunteer Centres around the province to identify community needs, established an internal volunteer registry, and began tracking volunteer hours. The regional networks partnered with local service groups and community charities to develop or support one or two short-term family-oriented projects annually.

AGT employees had long been encouraged to be involved with communities through United Way campaigns, Red Cross donor clinics, food bank drives, professional memberships, and several other activities. However, formalizing that spirit of encouragement through the EXTENSION program provided dedicated corporate support and endorsement for the volunteer efforts of individual employees, retirees, and their families.

The EXTENSION initiative focused on matching the skills and interests of current and retired employee volunteers with community needs in an organized way. Volunteer activities were defined as those which employees participate in outside of normal working hours. When such activities overlapped or conflicted with an employee's regularly scheduled duties, the immediate supervisor had authority to provide work time flexibility, as long as the productivity requirements of the job received priority.

Community Relations hired a provincial EXTENSION manager to:

- offer program and policy guidance and support;
- serve as a resource to regional committees;
- maintain promotional standards; and
- prepare and submit annual budgets.

In 1992, the company put in place the Volunteer Involvement Fund to allow employees to “give twice” to the community. The fund supports EXTENSION or Pioneer members who volunteer a minimum of 60 hours annually for a registered not-for-profit or tax-exempt organization. In addition, through a simple employee application process, grants of \$200 are given to each organization on behalf of the employee volunteer.

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Hal Neldner, Deputy Chairman and CEO at the time, said:

In the past, we tried to help out through outright corporate donations. But now we're taking what I think is a more creative and personal approach. Instead of pocketbook-to-pocketbook, we're emphasizing the people-to-people method. I think it works better, and it sure is more fun. ¹

¹ Neldner, Hal, 1992. Quoted in *AGT: The Community Connection*. Supplement to *Alberta/Western Report*.

A10.4 Community Needs Assessment

In the mid-1990s, in their continuing quest for new information about high-impact giving strategies, special events and community relations staff attended courses in Boston College's Certificate Program in Corporate Community Relations. This education resulted in a realization that AGT's donations were unfocused, and that the company was trying to be all things to all people.

In 1993, AGT contracted an independent consulting firm to find out what company stakeholders — employees, community organizations, customers, and shareholders — thought of the company. The consultant was also asked to have these stakeholders identify community issues which they considered important.

When focus groups were asked to describe the company as an animal, the most common descriptor was an elephant — slow, big, and cumbersome. The name, AGT — Alberta Government Telephones — reinforced the idea that the company was still affiliated with government. During the industry privatization process, AGT had dramatically decreased employee numbers and was subsequently dealing with major changes and restructuring. Worker morale was low, and employees were unsure about how new structures and business objectives would impact their futures. As part of the downsizing, community Phone Centres had closed, and customers expressed annoyance.

According to the focus groups, the key issues concerning Albertans were health and education. This was no surprise as both these areas had just experienced huge funding cut-backs due to the Alberta government's focus on deficit and debt reduction. Overall, stakeholders had little awareness of what support AGT was providing to their communities — AGT's community relations activities were essentially “invisible.”

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A10.5 New Strategies Implemented

The Contributions Committee of the now-privatized AGT was made up of key executives strongly supportive of the efforts of community relations staff towards finding new strategies for positioning the company as a leader in strategic giving. Community Relations Director Dianne Young says:

Initially, we needed our decision makers to take “a leap of faith” as there was a hesitancy about moving away from traditional philanthropy initiatives. This was new thinking for us, and our company had strong commitment to community projects that tugged at our heartstrings but weren’t necessarily strategic for either the communities in which we worked or for the company.

There was strong awareness that corporate investment programs, to be successful, had to offer more than just dollars — that human resources, company expertise, and gifts-in-kind were all key components of success. Based on new learnings, there was also a growing realization that fewer but more high-impact initiatives that intersected community need and corporate business objectives were desirable.

If the company wanted to reposition effectively, it would be critical to implement a program that seriously addressed community issues that employees, customers, shareholders, and the community at large said they really cared about. The challenge was how to best align all of these key components effectively and implement program components that would offer value to the community, to employees, and to the corporation.

A10.6 Social Vision Developed

Based on the teachings of the Centre for Corporate Community Relations at Boston College, the company decided to move the community relations function to the holding company, TELUS Corporation, to ensure consistency of community relations policy and practice across all subsidiary companies. A social vision was developed and the “neighbor of choice” philosophy was embraced. Edmund M. Burke, a former Boston College program director wrote:

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A social vision is a statement of purpose, an acknowledgement by the company that community issues have a direct relationship to the company and its success. It is also a set of strategies and programs and plans of action that are needed to solve that social vision. A social vision must become as integral a part of the company’s culture as its business vision.²

² Burke, Edmund M., 1990. “Shaping a Social Vision: Remarks by Edmund M. Burke.” The Centre for Corporate Community Relations of Boston College.

Boston College's "neighbour of choice" strategy provides for corporate community involvement which designs and implements programs that improve quality of life and, at the same time, promote the company's long-term business objectives.

The "neighbor of choice" strategy requires sensitivity to issues important to the community, as well as ongoing two-way communication between business and the communities where it has a presence. Beyond philanthropy, it is guided by a social vision, and is about building trust and belief in a company's commitment to being a good neighbor.

The TELUS social vision — "*Using Bright Technology, We Create Bright Minds and Bright Futures*" — was launched in 1995. Appropriate communications materials were created, and the company started to develop strategies to more effectively focus its community support.

In 1996, the TELUS master brand was introduced, bringing products and companies together under one unified identity. At that time, all subsidiary brands were retired.

A10.7 TELUS Foundation Established

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Coinciding with the introduction of the TELUS master brand in 1996, and in addition to the traditional community investment budget, the company introduced the TELUS Bright Futures Foundation. The intent of establishing this foundation was to send Alberta communities a strong message: that TELUS was an Alberta company which was "here to stay," and that community support was one of the company's key corporate values.

The board of the Bright Futures Foundation is made up of all subsidiary presidents, as well as the president and CEO of TELUS. They are active participants in foundation meetings, with 100 per cent attendance the norm rather than the exception.

The Bright Futures Foundation focuses on projects which use communication technology to build learning-based partnerships in communities, with a particular focus on health, education, and volunteerism. In 1997, TELUS invested more than \$3.5 million in

initiatives identified in stakeholder research as important, and which could be supported by TELUS technology and the skills, knowledge, and commitment of TELUS employees.

A10.7.1 Telehealth Stations

In collaboration with health care professionals in Alberta, and through joint funding with the Royal Alexandra Hospital Foundation, TELUS donated funds to establish the Patient Simulation Centre which opened in 1997. The company also made a five-year commitment to provide technological expertise to the development and maintenance of 14 additional Telehealth stations across the province.

The Telehealth stations connect health care professionals in the province with medical resources outside their local communities. Documents, x-rays, color photographs — even live ultrasound — can be transmitted through the stations.

The patient simulator is a training tool that can be used by medical students and professionals to practice and perfect medical techniques, assist with emergency care, and facilitate communication between medical professionals in urban and remote communities in the province.

A10.7.2 TELUS World Learning

TELUS committed \$7.3 million over four years to complement an Alberta Government commitment to provide monies for Internet connections in Alberta schools. Government funding is limited to provision of one, or possibly two, single-line Internet accounts in each school. TELUS support provides high-speed network access to 1,900 public schools across the province.

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A10.7.3 TELUS Learning Connection

The goal of the TELUS Learning Connection is to have at least one fully-trained Internet resource teacher in every school in Alberta.

To effectively use Internet as a learning tool, TELUS sponsored in-service training sessions in Edmonton and Calgary for 250 teacher leaders. These leaders will in turn train 3,200 teachers province-wide. Through the learning network, Alberta teachers will have the ability to go beyond the operational “how-to’s” of Internet to using Internet as an effective teaching and learning tool.

A10.7.4 Hearts At Work

Before 1996, TELUS supported a workplace United Way Campaign. Campaign results showed an average drop in contributions and employee participation of 10 per cent annually over a period of four years. An employee survey, aimed at identifying the reasons for the drop, revealed employees' desire to have more control over the charitable giving process. In response to these concerns, TELUS created Hearts At Work, an employee-driven campaign that:

- almost doubled the average employee contribution (from \$100 in 1996 to nearly \$200 in 1997);
- increased the number of employees donating from 1,200 in 1996 to 1,600 in 1997; and
- increased overall donations in those same years by more than \$100,000.

Employees now pledge a portion of their paycheques to up to three different charities of their choice, and TELUS matches these contributions dollar for dollar. A voice mail message to all employees from the corporation CEO at the beginning of the campaign encourages them to participate, and posters and banners throughout the company act as reminders. Pledges are collected through an interactive voice response system that keeps administrative costs low. Each employee receives a sticker for display at home to identify participation in the annual TELUS campaign.

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A10.8 New Guidelines Developed for Community Involvement

To focus TELUS's community investment budget, which had grown from \$500,000 in 1991 to about \$2 million in 1996, community relations staff began to develop a more structured application and review process for evaluating grant requests. Registered charities and not-for-profit organizations wishing to apply for support were encouraged to assess the following specific criteria before doing so:

- the alignment of their organization’s project or program with the new social vision and strategic focus of the company;
- the relationship of their project or program to the company’s interest in promoting volunteerism and supporting community initiatives involving the use of communication technology to enrich the lives of others; and
- the priority given to projects or programs with a provincial focus consistent with community priorities, that offered long-term benefits, and that could be supported by company employees.

TELUS established two application deadlines per year, and advised all previously funded community organizations of the process and procedure changes.³ The company created a “Guide to Community Investment,” which gives applicants background information about TELUS, a description of the kinds of issues and projects the company supports, and the application procedure for organizations seeking financial support.

The grant application process, streamlined considerably, encouraged a concise, two-page application. Applicants were advised that submissions would be pre-screened, and that following the pre-screening, TELUS would require supporting organizational information and additional project detail.

TELUS received more than 7,000 requests for information about funding in 1996. The guide was effective in reducing the length of actual application requests, thus saving time for both applying organizations and TELUS staff reviewing the submissions.

In addition to streamlining the grants process, TELUS decided that:

- after 1998 the company would not make any further multi-year pledges;
- TELUS would not fund capital campaigns;
- the company would not fundraise on behalf of any organization; and

³ TELUS has since decided to change to one application deadline date annually (April 1 for funding the following year).

- all sponsorships, other than those that are charitable in nature, would be excluded from the community investment budget — these are now handled by the company’s Event/Marketing Department.

Since the new strategies were implemented, TELUS focuses on supporting fewer, high impact community projects. TELUS Community Relations Advisor Christie Mate says she believes the change to a two-page application format is both efficient and effective, and as a result of the established criteria, community projects submitted are much more innovative. Mate says grant applications are processed more quickly, and projects are more aligned with corporate, employee, and community interests.

A10.9 Examples of TELUS-Funded Projects

Working more closely with a smaller number of organizations frees up additional monies for positioning projects TELUS supports, providing more opportunity to leverage increased resources for community organizations with which the company is involved.

A10.9.1 Quest Theatre

Quest Theatre is a small professional touring company located in Calgary. It has four staff and an annual budget of about \$400,000.

Through issue-related plays, Quest Theatre focuses on young audiences. The company performs mainly to school audiences in communities around the province. In any given year, it will give more than 200 school and public performances.

TELUS has sponsored several Quest performances, and up until 1996, the sponsorship was no more than a cheque-writing exercise. In 1997, TELUS Community Relation’s staff began to work with Quest in a very different way than before.

The play TELUS chose to sponsor in 1997 was a great match — “On the Line” — a cyber musical about basketball, friendship, and surfing the Internet. TELUS sponsored the Public Performance Series of the play and provided additional funding for

communications materials to better position both partners, promote the play, and increase Quest's audience.

A postcard circulated in more than 100 Go-Card locations offered \$1 off the play price — TELUS covered the cost of the price reduction. Of all ticket sales for "On the Line," 50 per cent were accompanied by a post card, indicating the success of the post cards as a promotional strategy. A cross-promotional bookmark further promoted the TELUS Planet Internet and Quest Theatre, and was included in every play program.

In 1998, TELUS again provided sponsorship money for Quest and has, as part of that sponsorship, booked Quest performances for TELUS employees, families, and friends in five different Alberta communities. For TELUS, this provides an opportunity to show employees where community dollars are spent, and for Quest an opportunity to develop new markets. TELUS employees promote the performances and are responsible for ensuring seats are full for each event.

A10.9.2 Children's Festival

In northern Alberta, TELUS has been a strong supporter of the **Children's Festival**, and up until 1996 was the host for the lost children's tent. In 1997, the sponsorship was renegotiated, and in partnership with the *Edmonton Journal*, a local computer company, and the Children's Festival, TELUS now sponsors a new Festival feature — the Technology Tent.

Kids of all ages visit the site and can go to Internet web pages to learn about the festival, access the TELUS educational site which bookmarks a variety of learning sites of interest to children, and write messages about their experiences at the festival. The *Edmonton Journal* picks up the reviews and prints them in their newspaper. According to Nancy Abrahamson, the Development coordinator at the Children's Festival, "It's a win/win for everyone."

The nature of this "win/win" is as follows:

- TELUS ties the sponsorship to the business they know best and uses its expertise in the telecommunications business to help with installation of Internet components.

- The *Edmonton Journal* promotes the event by publishing what kids say about the festival.
- Children who visit the site experience interactive Internet learning. They also have an opportunity to know they can influence the news and contribute their ideas for future festivals.
- The Children’s Festival offers a leading-edge learning experience for children and families, and has a new and effective evaluation tool that provides direct feedback from its audience.

A10.9.3 Edmonton Art Gallery

The **Edmonton Art Gallery** sought funding from TELUS for a capital campaign in 1997. TELUS told the gallery about the new community investment guidelines, pointing out that the request didn’t fit the criteria. The company asked the gallery to submit an alternate proposal that would more closely align with TELUS business objectives, and if possible, involve youth and the arts.

The gallery came back with a proposal to mount a new science multimedia exhibit and an inner city school scholarship program that would allow for those students to attend the exhibit — TELUS sponsored both.

The exhibit provided a showcase for new artists working in the multimedia field, created a new audience for the Edmonton Art Gallery, and won TELUS the Edmonton Mayor’s Award for Innovation in the Arts.

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A10.10 Assessment of TELUS Community Programs

Over the years, in support of employee initiatives, TELUS has provided staff support and monies for several programs that have grown out of the desire and enthusiasm of employees to address a variety of community needs. As part of the overall evaluation of TELUS’s community investment strategies, TELUS Community Programs are currently under review. Some require reconfiguration, as well as new strategies for continued effectiveness and relevance.

Two examples are FeatherCare and Project Blue Eagle.

A10.10.1 FeatherCare

FeatherCare was initiated in 1990 when TELUS employee and naturalist Brian Cowen realized that habitats for small songbirds in Alberta were fast disappearing. As a partial solution to the problem, TELUS cable markers in the field were converted into nesting sites.

In 1997, TELUS records showed 3,619 TELUS and community volunteers involved in managing nearly 15,000 nesting sites. Community volunteers involved in the program include Junior Forest Warden groups across Alberta and mental health patients involved with community outreach projects.

Program assessment in 1998 determined that the FeatherCare program needed more program management to be cost-efficient and to increase its effectiveness. To protect the program's integrity, TELUS is currently reviewing various other approaches to manage this program.

A10.10.2 Project Blue Eagle

Project Blue Eagle was started by three TELUS employees in 1992. The program's aim was to refurbish computers and provide them to schools, not-for-profit organizations, and individuals with disabilities.

In reviewing the program, TELUS determined that program management was an issue, and that the cost of delivering the program was greater than the amount of resources available. For example, as more individuals and community organizations received the refurbished computers, the requirements for ongoing technical training and assistance increased, and were far beyond the scope and mandate of TELUS Project Blue Eagle.

To solve the problem, Project Blue Eagle entered into a partnership with Alberta Computers for Schools, a national Industry Canada initiative affiliated with Alberta Education. TELUS employees and Telephone Pioneers are involved in refurbishing the computers, and Alberta Computers for Schools provides the computers to schools, libraries, and learning organizations in Alberta.

While computer recipients have changed for TELUS Project Blue Eagle, the program is now effectively and efficiently managed within the core business of Alberta Computers for Schools.

A10.11 A Second Consultation with Key Stakeholders

As mentioned earlier in this case study, in 1993 TELUS contracted an external consultant to assist with a community needs assessment. In 1998, TELUS repeated this process to again communicate with key stakeholder groups — employees, retirees, customers, community organizations, and shareholders.

The methodology for this assessment included written surveys and focus groups. Because of the earlier assessment, questions were more focused than those used in 1993. The intents of the consultative process were:

- to discover what issues and causes people cared about;
- to get suggestions about how business should respond; and
- using the first community consultation as a baseline, to see if TELUS had made any progress since 1993 in increasing its community involvement visibility.

In the 1993 assessment process, participants were asked to describe an animal — in 1998 they were asked to describe a person. In five years, the company had moved from the perception of a lumbering elephant to that of a tall male, well-spoken, well-dressed, and involved in the community. Interestingly, feedback also identified confusion regarding the motivation for the company's community involvement — was it meant to build the TELUS image or to find solutions for community problems?

The assessment identified four factors that were mutually dependent in influencing stakeholder loyalty through community involvement.

- The company had to provide quality products and good customer service.

- The company had to follow ethical business practices, treat employees fairly, and give back to the community. Stakeholders told TELUS they expected the company to give more than dollars to support community, and suggested everything from donating used equipment to encouraging customers and employees to donate their time and money.
- The company had to be involved in the community, and the commitment had to be sincere.
- TELUS had to communicate community investment activity with employees.

One of the assessment components, an employee survey, was circulated and then followed up with a voice mail broadcast encouraging staff to participate in shaping the future of TELUS community investment strategies. The Community Relations Department was anticipating about 500 returns, and was pleasantly surprised to receive more than 2,000 surveys.

Based on the results of the employee survey and subsequent focus groups, community involvement was identified as a high-impact way of creating company “ambassadors.” Employees involved as community volunteers were more knowledgeable about the company, more positive, and more loyal than those not involved. The survey results more than justify TELUS’s commitment to supporting and encouraging employee volunteerism.

TELUS also learned that stakeholder groups were unsure about what they were trying to accomplish with their social vision statement: *“Using Bright Technology We Create Bright Minds and Bright Futures.”* TELUS has moved quickly to implement strategies that reflect the input received. These strategies include:

- Adding a clarifying tag line — *“Making a Difference by Sharing our Strengths: Our People, Our Knowledge, Our Skills, and Our Technology”* in order to communicate the intent of the social vision statement.

- Testing a variety of outreach measures to decentralize projects and involve more employees in promoting the “neighbor of choice” philosophy. Community advisory committees are planned, and steps are now in place to build employee teams which will interact with communities in which TELUS has a presence. Outreach will be a priority for community relations in the months ahead, and will focus on establishing regional responsibility for building and maintaining strategic community relationships.
- Revamping and re-introducing the TELUS volunteer program in 1999.
- Continuing to seek opportunities for aligning business objectives with community needs that are important to key stakeholders.

A10.12 Strengths of the Program

A10.12.1 Alignment With Business Objectives

Community relations at TELUS is strategically aligned with the vision, principles, and values of the corporation. Executive Vice-President and Chief Financial Officer Gary Goertz says:

At TELUS, our goal is to become Alberta’s supplier of choice. One way of achieving our goal is to become Alberta’s corporate neighbor of choice. As a good neighbor, we support communities in every part of Alberta with our resources: human, technological and financial. ⁴

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Senior executives at TELUS are committed to that goal, and are actively involved in and supportive of the company’s community involvement activities.

Following company privatization, community relations staff aligned their strategies with corporate strategies to help reposition the company and positively impact the TELUS brand.

⁴ Quoted in the *1997 TELUS Community Involvement Annual Review*.

TELUS is in the communications business, so as community involvement strategies have become more strategic; community support has focused on aligning the knowledge and skills of TELUS people and the technology they sell with proactive and innovative community initiatives. The result has been growth — in community investment budgets, staff resources, and the community’s respect for TELUS.

A10.12.2 Support for Volunteerism

A key initiative of TELUS community relations is to focus on the company’s human resources. The employee program EXTENSION was one of the first formalized employee programs in Canada that incorporated encouraging, promoting, and enabling policies for employee volunteerism.

EXTENSION has had its share of growing pains. Dianne Quinton, the community relations advisor responsible for the program, says:

We have had many learnings over the years. Our employee base has changed dramatically and now includes full and part-time staff, casual labor, occasional labor and our retirees. We are constantly reviewing programs and supports needed to enhance employee volunteerism by trying to find an infrastructure that supports a variety of volunteer opportunities and a variety of players.

TELUS has contributed considerable time and resources to involve employees in community and corporate volunteer initiatives and to strengthen community infrastructure which supports the concept of employee volunteerism. For example:

- TELUS is one of the founding members of the Calgary Workplace Volunteer Council established in 1991. The council is a co-venture with Volunteer Calgary to encourage corporate volunteer programs and provides professional development opportunities for corporations and not-for-profits interested in establishing employee volunteer programs.
- TELUS has strengthened volunteer centres and volunteer initiatives across the province through a variety of projects and programs. These include numerous community sponsorships, over the last three years, to introduce Leaders of Tomorrow, a recognition program that celebrates youth volunteerism in more than 30 Alberta communities.

- TELUS is one of the sponsors of the provincial Vitalize Conference organized annually by the Alberta Wild Rose Foundation. The conference offers training to volunteers and volunteer managers, and provides toll-free “phone home” telephone services to more than 2,000 conference delegates.
- TELUS criteria for financial support specifies a preference for projects that successfully recruit, train, and recognize volunteers.
- Both internal and external communications materials highlight employee and community volunteer involvement.
- TELUS has added a creative community service option for employees who through either downsizing or re-organization are obliged to look at early retirement or alternate employment.

In addition to more traditional forms of transitioning options, employees at TELUS can choose a Community Support Option, which allows them an opportunity to select a 20 hour per week placement with a not-for-profit organization for up to one year at half-time pay and full benefits. At the end of the year in the community, the employee can then elect to take advantage of any one of the remaining transitioning strategies offered by TELUS.

As these employees are paid by TELUS while they work in the community, they cannot be strictly called “volunteers.” They do, however, bring dedicated time and a new source of skill sets to the not-for-profit community that in many instances would not otherwise be available or affordable. This is a particularly innovative strategy that benefits both the employee and the community.

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A10.12.3 A Work in Progress

Status quo is not a word one would find in the vocabulary of TELUS community relations staff. Dianne Young says:

We implement strategies to get to a new level in our community involvement initiatives, and when we get there another higher level is always on the horizon.

Each time TELUS consults with key stakeholders, new issues emerge. Dedication to the “neighbor of choice” philosophy and strategy presumes a desire to build trust in the communities where

the company works. There is a strong belief at TELUS that if one asks for input, one had best be prepared to listen and to take action — otherwise the company will lose credibility in the marketplace and with its employees.

Because the company has committed publicly to a social vision, it is the responsibility of everyone at TELUS to stay true to that vision — it isn't just the responsibility of the Community Relations Department. There is a strong focus on the need for program ambassadors at all levels of the company if practices are to match principles.⁵

TELUS Community Relations staff do not shy away from the comment that they are image-building. They agree. They add, however, that building a good corporate image does not preclude finding solutions to critical social needs.

A10.13 Concluding Statement

In 1997, the Angus Reid Group conducted a random telephone survey with 800 Albertans 18 years of age and older. The survey, part of Angus Reid's monthly omnibus survey, has a margin of error of +/- 3.5 percentage points. One of the components of the survey was targeted to poll Albertans' views on corporate giving.

While 38 per cent of survey respondents said they thought Alberta corporations have become more responsible over the last few years, very few people could name "generous" corporations. They could name industry sectors (*e.g.*; banking, oil and gas) but despite significant donations by many Alberta companies were able to identify only five by name. Of the respondents, 11 per cent named TELUS — seven percentage points higher than any of the other four, despite the other four having significantly larger community investment budgets than TELUS.

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⁵ Note: On January 21, 1999, BC Telecom and TELUS shareholders approved a merger. The new corporate name is BCT.TELUS Communications Inc. As in keeping with TELUS's "work in progress" philosophy regarding their community investment strategies, it will be interesting to watch the evolution of the two merged cultures. One would hope that together they will continue to take a leadership role in community support.

In the Angus Reid synopsis, researchers made the comment that “among corporations, a higher-profile, dynamic, strategic and focused philanthropy is required.”

Obviously, TELUS is ahead of many in recognizing this.

Telemedia Communications Inc.

A11.1 Company Profile

Telemedia Communications Inc. (Telemedia) is a leading Canadian media company with 23 radio stations and 15 magazines. Telemedia's head office is located in Montreal, Quebec. The privately owned company was founded 31 years ago by Philippe de Gaspé Beaubien. On his retirement in 1998, ownership was transferred to his three children — de Gaspé, Nanon, and François.

Telemedia was the first Quebec company in the communications realm to establish itself in Ontario and elsewhere in Canada. The company is particularly well-known as a leading publisher of consumer magazines with titles representing 75 per cent of Canadian newsstand sales and a national distribution of 75 million copies annually. Canadian magazines and entertainment publications such as *TV Guide*, *Homemaker's*, *Canadian Living*, *Eating Well*, *Elle*, *Western Living*, and *Style at Home* are familiar titles to all Canadians. In addition, Telemedia has published more than 2.5 million copies of its cookbooks and other specialty publications. The company has approximately 1,000 employees.

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A11.2 Background

Telemedia has no formalized community investment policies. Corporately, two key focus areas are literacy and children, with each committed to increasing the learning potential of Canadians. As

Telemedia owns several radio stations and publishes numerous magazines, this focus is not imposed at the local level. According to Michele Cadieux, Telemedia's vice-president of human resources,

We are a people-oriented business and our employees have the autonomy to get involved at the community level.

Most community support is through gifts-in-kind, using the mediums to which each division of the company has easy access to — promotion and advertising space in publications and air time via a multitude of radio stations.

A11.3 Literacy and ABC Canada

In 1990, a group of concerned people from business, labour, and education created the ABC Canada Literacy Foundation as a national, non-governmental organization. The purpose of the organization is to:

- raise awareness of adult literacy issues; and
- actively involve the private sector in supporting literacy.

The vision statement of the organization is:

“ABC Canada supports the development of a fully literate Canadian population.”

In addition to workplace education and training, research and advocacy on literacy issues, and support to literacy groups in Canada, ABC Canada works with the media and advertising industries to develop national multimedia awareness about literacy. Organizational policy dictates that ABC Canada will not pay for advertising space. Former Executive Director Colleen Albiston said in March, 1998 that

The organization strongly believes that dollars are needed for client work and should go to people, not advertising.

ABC Canada has worked diligently to create strong partnerships with ad agencies, broadcasters and publishers to obtain free advertising space for promoting literacy. The organization has been immensely successful, generating millions of dollars in media gifts-in-kind since its inception.

A11.3.1 The LEARN Campaign

In 1994, ABC Canada introduced the LEARN Campaign — a national, bilingual multimedia campaign aimed at linking potential literacy learners with literacy organizations across the country. The campaign, aimed at the 31 per cent of Canadians who are poor or reluctant readers, was the first national literacy awareness campaign designed to empower Canadian adults to seek and find help for themselves. It was also aimed at creating awareness of the hundreds of literacy organizations in Canada that are available to help.

To reach Canadians of all ages and cultures through materials suitable for a variety of media, the ad campaign developed included applications for TV, radio, magazines, other print media, poster production, and outdoor advertising. All ads had the tag line, “Look under LEARN,” and were primarily targeted at friends and families of Canadians with reading and writing difficulties.

In support of the public awareness campaign, every Yellow Pages directory in the country placed a full page ad under LEARN, to help interested literacy learners locate local literacy organizations. The Yellow Pages ads were developed in consultation with Canadian literacy groups.

Despite the daunting tasks of securing support from literacy service providers, creating effective ad copy, growing multimedia support for the ad campaign, and co-ordinating placement of Yellow Page ads in 300 different directories — all with different insertion deadlines — by March, 1994, more than \$5 million of gifts-in-kind were donated to support ABC Canada’s LEARN campaign.

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Measurement

The second phase of LEARN focused on measuring the response to the campaign and to that end, in 1995, ABC Canada undertook a national research project to measure impact. The research incorporated:

- information surveys of callers to literacy organizations;
- surveys of participating organizations; and
- consultation with key partners in the literacy movement.

The research confirmed success with 314 LEARN partners — local literacy organizations across Canada who are identified in the Yellow Pages directory ads and who participated in the campaign. LEARN campaign partners reported that calls had increased by as much as 50 per cent during the ad campaign. In addition, 95 per cent of callers who saw a LEARN ad said it helped them decide to call for help.

More than 40 per cent of calls to literacy organizations are now associated with the LEARN campaign. A key barrier to people seeking help, identified by 36 per cent of callers, was a lack of knowledge about the programs' existence or an inability to find them (42 per cent).

The research also identified a major challenge for ABC Canada and local literacy organizations. With more literacy learners aware of where to seek assistance, literacy organizations have more demands for service than systems can support. More than 70 per cent of participating organizations identify funding and resource issues as the greatest challenges they face.

Telemedia, a strong supporter of the LEARN Campaign, in 1996 received the Honourable Joyce Fairbairn Literacy Public Awareness Award for outstanding contribution to literacy awareness in Canada.

“LIVE & LEARN”

Phase Three of the LEARN Campaign is “LIVE & LEARN” — a print-only awareness program aimed at addressing the need to build capacity for local literacy initiatives identified in the research summarized above. This campaign is meant to encourage Canadians to get involved and to, as the ad copy says, “TAKE A HAND IN LEARNING.”

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In March, 1998, at the invitation of ABC Canada, two people hosted a reception in Toronto to introduce ABC Canada's newest campaign. They were Francois M. de Gaspé Beaubien, president of Telemedia's publishing division and executive vice-president of business development, and John Tory, president and CEO of Maclean Hunter Publishing Limited and Rogers Multi-Media Incorporated.

They made an interesting choice as co-hosts because they are keen competitors. In addition, the invitation list included all of their other key competitors. The reception's purpose, and the choice of hosts and attendees, was to present a compelling business case for industry-wide support for the “LIVE & LEARN” ad campaign.

Why would these competitors join together to support literacy?

- ABC Canada ad copy does not allow for sponsor recognition, so there are no opportunities for any of the print media to position their names with the campaign.
- There is no opportunity for any one print partner to have exclusive sponsorship.
- There is no partnership deal whereby ABC Canada pays for some advertising space in order to leverage more.

The reason they all support literacy is that they all know they need readers to buy their products. Beyond supporting a good cause and being good corporate citizens, they all need Canadians who read.

In a 1998 interview, Beaubien said that to him literacy is a “motherhood issue.”

While we at Telemedia obviously have a vested interest in Canadians being able to read, I personally have an emotional bond to reading — to the skill and the thrill of reading. I believe it is a gift we often take for granted. More than one-third of Canadians have difficulty with anything other than the simplest reading material. We need to do everything we can to reduce those numbers.

To that end, Beaubien says he is prepared to commit his personal influence and Telemedia’s corporate resources to leverage new resources — both volunteer and financial — to raising literacy awareness in Canada.

A11.4 Breakfast for Learning, Canadian Living Foundation

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In 1992, Telemedia’s *Canadian Living* magazine researched an article that focused on child poverty in Canada. The research brought to light that:

- One in five children lives in poverty. Many of these children do not get adequate and nutritious food every day.
- There is a strong link between nutrition and learning. Kids who don’t get enough to eat are tired, have a short attention span, and don’t learn or solve problems as well as classmates who eat nutritious snacks.

- One in nine children depends on some form of charity for food.¹

Editors at *Canadian Living*, appalled at the results of their research, decided they wanted to do something about the problem. They approached their corporate management with the idea of setting up a not-for-profit foundation that would focus on child poverty in Canada.

The editors knew little about how to set up a foundation, but they quickly learned how to proceed. They engaged lawyers to help with the legal requirements of establishing the foundation. They recruited a board of directors from Telemedia staff and also secured from the corporation two years of administrative funding.

The Canadian Living Foundation was established in 1992. It is the only national not-for-profit organization in Canada that supports nutrition programs. Through its *Breakfast for Learning* program, the Foundation provides information and start-up funding, nutrition education, and support for building community partnerships.

The Foundation's mission is:

“To ensure that every child in Canada goes to school well-nourished and ready to learn.”

A11.5 Breakfast for Learning Program

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Breakfast for Learning provides funding directly to programs that want to start or expand child nutrition program. The funding is used as seed money to communities to start nutrition programs or improve the nutritional content of existing programs.

A11.5.1 Program Principles

The *Breakfast for Learning* program is based on eight principles:

- Access to nutritious and safe food regardless of family income status;
- Access to non-stigmatizing programs which are universal and

¹ Fast Facts: *Breakfast for Learning*. Canadian Living Foundation.

flexible, and which are not intended to replace welfare reform;

- Community-based programs administered in such a way as to respect the individuality of the community and address its unique needs;
- Cultural appropriateness, sensitive to and respectful of individual and community diversity;
- Empowerment of children and families such that parents are made to feel that decision-making is a right of the family;
- A nurturing, warm, caring environment in which children can participate;
- Financial stability to ensure consistent, continuous funding; and
- Public education about creative ways in which children can be adequately and properly nourished both at school and at home.

A11.5.2 Program Support

Breakfast for Learning has built a strong support base. The number of Foundation staff has grown from one to eight, and the board of directors has expanded to include community representation.

Readers of *Canadian Living* magazine are strong program supporters — they donate almost \$100,000 annually to support *Breakfast for Learning*. Initially, *Canadian Living* magazine assumed that advertisers would also be a natural support for the work undertaken, but then realized that the magazine had a relationship with advertisers that might be compromised by a direct approach.

There are now many corporations who support *Breakfast for Learning* some of whom advertise in *Canadian Living* magazine, but their *Breakfast for Learning* relationships are independent of the magazine.

Since it was founded in 1992, *Breakfast for learning* has provided almost 45 million meals to youngsters. The foundation has helped more than 2,000 groups in Canada start nutrition programs.

For those programs applying for financial assistance, start-up grants

between \$500 and \$2,500 are available, and are meant to foster programs that can eventually become self-sufficient. In order to qualify for support, all *Breakfast for Learning* programs must:

- be available to all children;
- meet the nutritional guidelines set out in Canada’s Food Guide;
- encourage parental support; and
- have funding available from other sources.

The *Breakfast for Learning* program information kit is available to anyone interested in starting a child nutrition breakfast program. It covers everything from food handling and sample menus to fund-raising and managing volunteers. Health and nutrition professionals helped develop the guide, and a variety of nutrition education resources are available to help kids, parents, teachers, and volunteers learn about such topics as making healthy food choices and managing a food budget.

A11.5.3 Program Funding

The Foundation is funded by charitable donations from various sources. Its annual budget increased from \$67,000 in 1992 to more than \$3 million in 1999. Fund-raising includes solicitation of corporate, foundation and individual gifts, special events, cause marketing initiatives, sponsorships, and gifts-in-kind. A few examples are:

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- In 1995, 1996, and 1997 the foundation received the proceeds of the Toronto Dragon Boat Race and the Ontario Women’s Golf Classic.
- Various individuals and businesses have participated in cause marketing initiatives. For example, in 1993, Irwin Toy Limited donated \$1.50 for every “Little Soul” doll sold at Consumers’ Distributors over the 30 days before Christmas that year.

Elizabeth Berry, a Canadian watercolor artist, donated an exclusive signed print that the Foundation sold as an incentive for individual donor support. Peter Gzowski shared a portion of his cover price for “Canadian Living: Selected Columns from *Canadian Living*.” Shania Twain donated proceeds from sales in Canada of her single “God Bless the Child.”

- From 1996 to 1998, Newman’s Own Inc. sponsored a recipe contest in *Canadian Living* magazine. The contest winner received \$10,000 to donate to the charity of his or her choice, and the six runners-up each received \$1,000 for the same purpose. In addition, the sale of Newman’s Own products in Canada netted the Canadian Living Foundation \$25,000 a year.
- In 1996, the Eaton Foundation funded a national co-ordinator for a new program called the “Community Partners” Program (CPP). This program, targeted to identify and initiate partnership programs across Canada, has been extremely successful.

The CPP mandate is to:

- promote partnerships between government, private business, parent groups, school boards, and community organizations which share an interest in serving children; and
- analyze the issue of child nutrition at the local level and develop strategies to better serve children in particular geographic areas.

Breakfast for Learning publishes the *Community Partners Program Guide*, which helps interested communities identify potential partners and resources needed to initiate partners programs. It also provides tools — such as case studies and successful program models for implementing partnership programs and pooling resources. In addition, the foundation provides seed grant money to kick-start community initiatives.

- In 1996, the Ontario government announced a commitment of \$4.3 million dollars in start-up funding to the Canadian Living Foundation to help parents and communities set up and expand nutrition programs in the province.
- The Royal Bank of Canada Charitable Foundation has provided support to produce an educational tool, “*Food to Grow On — Healthy Eating at School.*”
- In 1997, the foundation entered into a three-year pilot project with the Ontario Grocery Industry Foundation ...Together (G.I.F...T) and the Ontario government. The partnership’s goal is to provide a long-term, sustainable answer to the child hunger issue.

The grocery industry has provided more than \$1 million in food supplies to school-based nutrition programs in Ontario. Community *Breakfast for Learning* programs can purchase food coupons at approximately 75 per cent off retail prices and can redeem them at more than 2,000 grocery stores across the province. G.I.F...T absorbs all handling and distribution costs, and forfeits profit margins on the products.

- In 1998, BiWay stores became a sponsor, collecting \$132,000 at store check-out counters for *Breakfast for Learning*.

A11.5.4 Breakfast for Learning Week

In 1998, during the week of September 28 to October 3, the foundation initiated the first *Breakfast for Learning* week. The December, 1998 issue of the *Breakfast for Learning* newsletter reported:

More than 200 programs across the country invited local dignitaries, politicians, community sponsors and media to see for themselves just how well nutrition programs work. The goal of the week was to send out the message that too many children are going to school hungry, and that communities, corporations and government must work together to ensure that every child goes to school well-nourished and ready to learn.

A new national awareness campaign has already been picked up by major radio and television broadcasters. These public service announcements will run for a year, with the tagline: "You can't train the brain...if you don't include the food."

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A11.6 Strengths of the Program

A11.6.1 Support for Employee Initiatives

Telemidia has been very supportive of employee community initiatives that encourage and support learning. The company has contributed significant corporate resources to literacy, and has used its position in the communications industry to leverage considerable support for ABC Canada's ad campaigns.

These ad campaigns have not only created awareness of the literacy issue, but have offered new opportunities for grassroots literacy organizations to more effectively leverage local community resources — resources required to support the needs of Canadians who struggle daily with literacy issues.

Similarly, the Canadian Living Foundation was created by a group of editors at *Canadian Living* magazine in response to concern for child hunger in Canada. Telemedia supports the Foundation's efforts by providing it with ongoing leadership, office space, and administrative support.

In addition, Telemedia employees offer their skills in communications, marketing, and research. *Canadian Living* magazine, as the message board for Foundation programs, disseminates information about child hunger in Canada, and promotes action at the community level through the programs of the Canadian Living Foundation.

A11.6.2 Access to Communication Expertise and Media

Because Telemedia is a communications company, access to print and radio is a given. Telemedia uses corporate expertise and the availability of communications mediums to publish research on the community issues employees and the company care about to educate and create awareness, and to leverage additional financial and gift-in-kind resources for an action-focused agenda.

Radio stations promote events; magazines provide editorial space and print overruns of educational materials for extended distribution. They engage their readers and listeners in addressing critical community issues at the local, provincial, and national level with a view to finding long-term, community-based strategies for addressing the issues of literacy and child hunger.

A11.6.3 A Community Development Model

Telemedia supports program models meant to strengthen communities across the country. Literacy initiatives are supported through ad campaigns targeted at engaging volunteers and donors at the local level.

The Canadian Living Foundation has garnered the support of literally thousands of volunteers and donors nationwide. Foundation Executive Director Martha O'Connor says:

Initially the program focused on feeding hungry kids, not eliminating the problem. As the Foundation grew, the program refocused on every child going to school well-nourished, on supportive communities, on the need for collaborative action at a community level.

The Canadian Living Foundation is now actively involved in advocacy efforts with senior federal politicians and bureaucrats to fund child nutrition programs, community partnership programs, and educational resources.

Jane Rogers, fund development and communications director of the Canadian Living Foundation, says:

While we're very pleased with the support nutrition programs receive from provincial governments in Ontario, Saskatchewan, British Columbia, the Yukon, and Newfoundland, we would love to see funding across the country. The problem is that there's no funding mechanism in place to support childhood nutrition, not within Human Resources Development Canada (HRDC) or even Health Canada. We need a national children's agenda that includes Child nutrition.²

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The Canadian Living Foundation is committed to impacting public policy to ensure that Canadian children go to school well-nourished so they can be ready to learn.

² "Breakfast for Learning Newsletter," 1998. December, Volume 7.

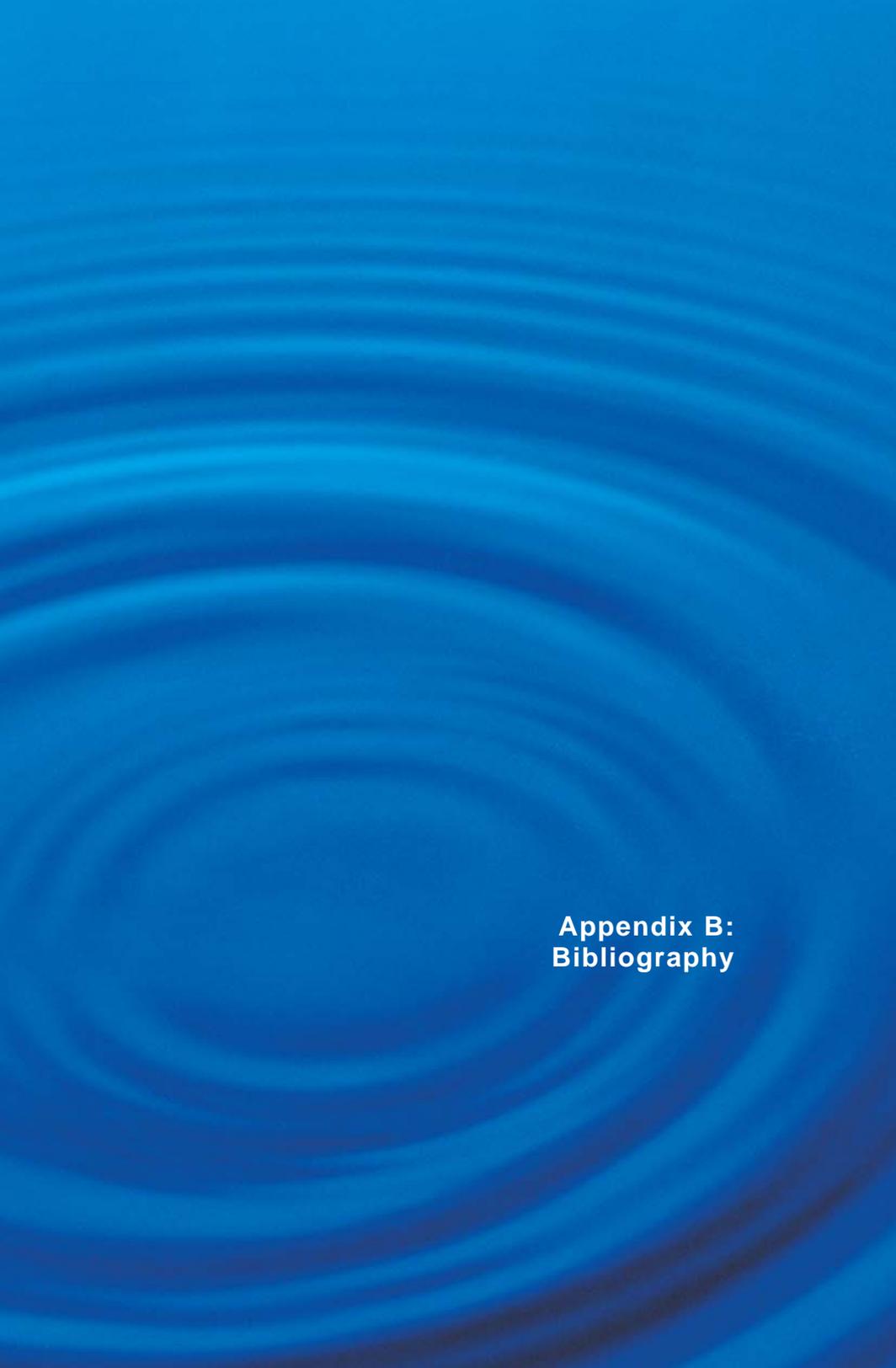
A11.7 Concluding Statement

In October 1997, *Canadian Living* published an article, “In Good Hands,” by Bramwell Ryan. Ryan said in his article:

No breakfast means no learning, lethargy, special education classes, behavioural problems and lowered expectations. Hungry kids can become angry youth and unemployed adults.

One could also presume that many of these children, without a good start, could end up dealing with literacy problems.

Telemedia’s commitment to using its company’s strengths and its networks to address the issues of literacy and hungry children will have long-term impact on both immediate and systemic issues that impact learning in Canada.

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**Appendix B:
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The Muttart Fellowships



Martha Parker

1997 Muttart Fellow

Martha Parker has been the Executive Director of Volunteer Calgary since September 1988. In that time, Volunteer Calgary has increased revenues from approximately \$450,000 to \$1.4 million and developed more than 20 significantly new programs to

benefit volunteers, volunteer centres, and the not-for-profit community. Revenues of Volunteer Calgary are diversified and include funding from traditional funders like the United Way and the City of Calgary, foundation grants, corporate sponsorships, and earned revenue. The majority of programs have been initiated as partnership projects.

Prior to Volunteer Calgary, Martha worked at:

- IDPAR - the Institute of Donations and Public Affairs Research (now The Canadian Centre for Business and the Community) providing an information service for corporate donations and
- Mount Royal College as a researcher and coordinator in voluntary sector education. This position included course work in fundraising, board and volunteer management.

Martha has had extensive volunteer experience and has served on many boards and committees. At present she is on the Advisory Board of the Canadian Centre for Entrepreneurship - a new initiative of the University of Alberta; the leadership advisory committee of Leadership Calgary - a community initiative meant to nurture emerging civic leaders; and the Board of Directors of Calgary Inc. - a recent initiative of the city of Calgary, Office of the Mayor, to create and market a long term values based vision for Calgary.

On a lighter note Martha loves trashy novels, movies that make you weep and will do just about anything to avoid going camping.